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PARIS, MONDAY, MARCH 7, 1988

Bush in 'Super Tuesday' Lead After South Carolina Victory

By Paul Taylor and David S. Broder

Washington Post Service

WASHINGTON — Vice President George Bush and Governor Michael S. Dukakis of Massachusetts appear poised for victory as voters in 20 states prepared to cast ballots Tuesday in the largest one-day event in the history of U.S. presidential nomination politics.

Mr. Bush, after a resounding victory in Saturday's South Carolina Republican primary, has a seemingly unassailable lead in all but a handful of the 17 states where Republicans will cast ballots.

If he sweeps the South on Tuesday as convincingly as he took South Carolina, where he trounced Senator Bob Dole of Kansas by 48

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Jesse L. Jackson's campaign in Maryland shows more polish, less evangelical fervor. Republicans fear the bruising presidential campaign will hurt other party candidates. The issues affect voters in ways that surprise candidates.

percent to 21 percent, his lead in both delegates and psychology will make the Republican nomination his to lose.

For the Democrats, Mr. Dukakis is locked in a much more competitive four-way battle, but he has a good chance of winning the most

Super Tuesday states, including Texas and Florida, and the delegates, thereby becoming the first Democrat able to say that he is a truly national candidate.

Mr. Dukakis's principal challenge could come from the Reverend Jesse L. Jackson, whose nearly flawless campaign has begun to show appeal beyond his black voter base. Mr. Jackson could win anywhere from four to seven of the 21 Democratic contests Tuesday, and between a fifth and a quarter of the 1,307 delegates up for grabs.

But Mr. Dukakis has even better prospects—in part because he has been "charmed," in the view of Thomas Donilon, a Democratic strategist, with a field of competitors who take more from each other than from him.

In state after state in which the Democrats are running, Representative Richard A. Gephardt of Missouri and Senator Albert Gore Jr. of Tennessee appear likely to divide the same pool of middle-income, blue collar, moderate voters. That leaves Mr. Dukakis an opening to take plurality victories with a coalition made up largely of young professionals, liberals and Hispanics, all of whom have been energized by Mr. Dukakis's well-funded state organizations.

Mr. Dukakis's delegate totals will also be helped by expected victories in most of the non-Southern Super Tuesday states—including Massachusetts, Washington, Rhode Island, Maryland and Hawaii—leaving his competitors to begin completing in advance that



Supporters of Vice President George Bush turned out in Greenville, South Carolina, for the state primary election, while Senator Bob Dole toured St. Charles, Missouri, accompanied by Jeane J. Kirkpatrick, a former U.S. ambassador to the United Nations.

Shamir Resists U.S. Plan

He Blocks Move By Peres to Force Vote in Cabinet

By John Kifner

New York Times Service

JERUSALEM — Prime Minister Yitzhak Shamir of Israel continued Sunday to resist pressure from his foreign minister and rival, Shimon Peres, to agree to a new U.S. peace initiative.

Israeli soldiers, meanwhile, killed two more Palestinians during protests in the occupied West Bank and Gaza Strip.

"I don't fear any decision," the prime minister maintained as he blocked efforts by Mr. Peres's La-

bor Party supporters to bring the issue to a vote in Sunday's weekly cabinet meeting.

"There is no reason not to reach a decision," retorted the foreign minister for the divided coalition government. "Not reaching a decision is rejecting the matter."

Mr. Shamir, head of the hard-line Likud bloc, insisted that a letter from Secretary of State George P. Shultz outlining the plan was "not an ultimatum."

The matter should be set aside, the prime minister said, until his visit to Washington in a week, when he would "explain the seriousness of the problems to the Americans and clarify points that need to be clarified, such as what the substance of the agreements they are seeking to achieve is."

But Mr. Shamir's long-scheduled visit is likely to turn into a difficult one. The prime minister was criticized during the weekend in a letter by 30 U.S. senators, many of them strong supporters of Israel, as obstructing Middle East peace efforts and he is expected to come under more American pressure.

As the acrimony mounted within the stalemated government, senior Likud figures were reported sounding out members of the small religious and rightist parties that hold the balance of power in hopes of gaining a 61-member majority in the Knesset, or parliament, for moving elections that are now scheduled for Nov. 1 up to the end of July.

Mr. Peres has portrayed his Labor alignment as the party of peace, ready to meet under the auspices of an international conference — a proposal rejected by Mr. Shamir — and trade land for peace. Most political polls here continue to show the electorate almost evenly divided, with some movement toward the fringe parties of both right and left. A midsummer election date is generally assessed as favorable to the Likud, on the assumption that any well-to-do voters vacationing outside the country are likely to be Labor supporters.

3 Israelis Charged An Israeli Army captain and two soldiers were charged Sunday with brutality for beating two handcuffed Palestinians last month, Reuters reported from Tel Aviv. An army spokesman said the

captain of the USS Simpson. The helicopters were not hit. Meanwhile, Iranian missiles, aircraft and artillery hit targets in Baghdad and other Iraqi cities on Sunday in retaliation for civilian deaths in Iraqi strikes. Reuters said in a report from Nicosia quoting the Iranian news agency IRNA.

In Baghdad, a military spokesman said Iraq fired three missiles into Tehran on Sunday and sent jets to bomb 12 Iranian towns. Tass said that Majid Ghatrehman, Iranian chargé d'affaires in Moscow, had been summoned to the Soviet Foreign Ministry to receive a protest that he pledged to convey to Tehran.

Meanwhile, in the Gulf, a U.S. warship fired on two radar targets suspected of being Iranian speedboats moving toward a navy barge, U.S. officials said Sunday. The blips vanished from radar screens but there was no report of hits or casualties. Tass said the protest message insisted that the Iranian authorities take urgent and immediate mea-

surements. See IRAN, Page 5

Strain Appears to Grow On Military in Panama

By William Branigin

Washington Post Service

PANAMA CITY — The Panamanian military, the main prop of General Manuel Antonio Noriega, is coming under increasing strain in the domestic political crisis, according to diplomatic and Panamanian sources.

There is no evidence yet, sources said, that the strain has produced an open crack in the National Defense Forces, commanded by General Noriega, who is the de facto ruler. But recent events clearly have General Noriega looking over his shoulder amid signs that the widespread grumbling in the country may be infecting military ranks.

A major question now is how the high command of the 15,000-member National Defense Forces will deal with the major issues: the financial crunch brought about by a combination of an opposition general strike, U.S. moves to block General Noriega's access to funds held in the United States, and the Panamanian government's own increasing inability to meet its bloated payroll.

With the domestic banking system essentially closed because of fears of a major bank run, and insufficient funds in the central bank, Panamanians are waiting to see what the military and government will do about paying their employees.

"People in the Panama defense forces are suffering for the first time the cost of having Noriega as their commander in chief," said Guillermo Cochac, an opposition legislator.

According to the retired general Ruben Dario Paredes, a former

commander of the National Defense Forces and a leading critic of General Noriega, the military is now pervaded by "a dangerous malaise."

Panamanian officers loyal to General Noriega insist that all is well in the defense forces. The police chief, Colonel Leonides Macias, has called opposition reports of a military purge "inventions to confuse the people." But while recent developments may not

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8 Said to Die in Lhasa In Independence Clash

By Daniel Southerland

Washington Post Service

BEIJING — Eight persons may have died in clashes in the Tibetan capital of Lhasa between Chinese policemen and pro-independence demonstrators, Western sources in Lhasa said Sunday.

Xinhua, the official Chinese press agency, late Sunday said that one member of the people's armed police had died and that another was seriously injured after being attacked by rioters.

But Western sources said the casualties were more extensive and included not only policemen but civilian protesters.

An Agency France-Press, the major French press agency, quoted witnesses in Lhasa as saying that at least eight persons died in the rioting, including three policemen killed by rioters and a young monk and four civilians killed by plainclothes policemen.

The agency said a policeman was killed after being thrown off a roof near the Jokhang Temple and two others were stoned and kicked to death.

A reporter from Agence France-Press was in Lhasa on Saturday and returned to Beijing on Sunday.

Xinhua's account said that rioters wielding steel bars and wooden sticks knocked down two armed policemen. Yuan Shisben and Yang Yuchen, stabbed them and then threw them out of a second-story window, Xinhua said. Mr. Yuan was dead on arrival at the hospital, Xinhua said.

The Chinese agency said that about 20 rioters attempted to attack a police station Saturday but were stopped by residents living nearby.

Xinhua asserted that local religious leaders demanded justice against the rioters and quoted these same unnamed religious leaders as saying that the government had exercised too much restraint — a sign, according to some observers, that the government is preparing another crackdown on dissent in Lhasa.

Xinhua said the police quickly brought the demonstration under control. But other sources said that rioting around the Jokhang Temple in the center of Lhasa lasted throughout Saturday.

The monks emerged on top of the Jokhang Temple during the closing ceremonies of Tibet's major annual religious festival, surprising the Chinese police, who had made careful preparations to prevent a recurrence of last year's violent

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U.S. Expects A Flood of Armenians

By Robert Pear

New York Times Service

WASHINGTON — Reagan administration officials report a sharp increase in the number of Armenians trying to leave the Soviet Union, and the State Department has drafted a proposal to admit 12,000 of them to the United States as refugees.

The proposal suggests that President Ronald Reagan should begin

in Prague, Czechs rally to call for religious freedom. Page 5.

emergency consultations with Congress so that the United States can take in the Armenians by doubling the number of refugees who may be admitted this year from the Soviet Union and Eastern Europe.

At the same time, administration officials said, the State Department is proposing to raise the U.S. worldwide refugee admissions ceiling to 83,500 for the current fiscal year.

That is 15,000 more than the current limit. Refugee numbers are set each year by the president. Under the Refugee Act of 1980, he can change numbers, but must first consult with Congress.

Administration officials said they did not know how the government could pay for resettling the extra refugees.

State Department officials estimate the cost at \$25 million to \$30 million, and they are searching for sources of funds.

One possibility — opposed by

See ARMENIA, Page 5

Nonaligned Status Is Key to Peace In Angola, Pretoria Tells Moscow

By William Claiborne

Washington Post Service

JOHANNESBURG — In its first public response to a series of unofficial contacts with Moscow aimed at achieving a local resolution to the 12-year-old civil war in Angola, the South African government has said it would make a direct deal with the Soviet Union if the Angolan government becomes nonaligned.

The French press agency said the police then brought in reinforcements, assaulted the demonstrators with tear gas, and arrested about 100 young monks. The police fired pistols at some of the demonstrators, the news agency said.

It was the sixth anti-Chinese demonstration known to have occurred in Tibet in the past six months and the first violent demonstration there since the Chinese police suppressed Tibetan rioters last September and October. A demonstration on Oct. 1 last year resulted in the destruction of a Chinese police station and the deaths of at least six monks and civilians, who were killed when the police opened fire.

A Western diplomat said the monks who demonstrated undertook a "suicide mission," given the large police presence in Lhasa and the preparations that the police made to keep demonstrators from disturbing the 10-day festival.

The demonstration occurred at a particularly sensitive juncture in U.S.-Chinese relations. Wu Xueqian, the Chinese foreign minister, arrived in Washington on Sunday to open two days of talks with senior U.S. officials.

The Marxist government in Angola is backed by the Soviet Union

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See ARMENIA, Page 5

Soviet Embassy in Iran Is Attacked by Rioters

Compiled by Our Staff From Dispatches

MOSCOW — Rioting Iranians attacked the Soviet Embassy in Tehran on Sunday, using stones and incendiary devices in an assault that threatened the lives of embassy staff, the official Tass press agency said.

Tass said a similar attack was staged against the Soviet consulate in Isfahan. It did not mention casualties but said order was being restored.

The attacks, Tass said, had been preceded by "instigatory" reports in the Iranian press blaming Moscow for the current Iraqi missile attacks on Tehran. Moscow has denied supplying Baghdad with weapons for the attacks.

In another development, U.S. officials said that two U.S. helicopters came under three minutes of heavy machine gun fire Sunday from gunners suspected to be Iranian on an oil platform, and from several boats in the central Gulf, United Press International reported from Bahrain.

The helicopters took evasive action and did not return fire, said Commander James McTigue, the

spokesman for Singapore's Tourist Promotion Board said that a luxury train service through Southeast Asia would be "a unique tourism product in this region."

Mr. Dharmoon said he had discussed the planned service with senior Malaysian tour-

See ORIENT, Page 2

The Orient Express: An Asian Line Could Be Next

By Michael Richardson

International Herald Tribune

BANGKOK — The legendary Orient Express never made it to Asia.

The route for the deluxe train, pioneered in 1883 by Georges Nagelmackers, a Belgian railway entrepreneur, was across Europe from Paris to Istanbul, formerly Constantinople.

Now, however, a tourist surge and a yearning for a more stately means of conveyance than the jet airplane, but or rental car may bring a revived version of the Orient Express in Europe to Southeast Asia.

"We are looking at the possibility of developing a luxury rail service between Thailand

and Singapore via Malaysia," said David Williams, a marketing executive with Venice Simplon-Orient-Express Ltd.

The British company operates an Orient Express service between London and Venice. This part of the old service was revived in 1982 using refurbished Pullman carriages decorated in the style of the 1920s.

In a telephone interview from London, Mr. Williams said he and other executives of the company had recently discussed the plan for an Asian version of the Orient Express with tourist and railroad authorities in Southeast Asia.

Company executives will visit the region

again in the next few months for more talks, he said.

"Things are still in the planning stage, but we are very keen to go ahead with the project," he said. If agreement on terms can be reached within the next six months, he added, the service could be inaugurated at the end of 1989.

Dharmoon Prachubmo, governor of the Tourism Authority of Thailand, and Hiran Radeesri, general manager of the State Railway of Thailand, welcomed the proposal.

Mr. Radeesri said that Thai and Malaysian railway engines would pull the deluxe carriages along an existing rail line that runs

Kiosk

Police Kill 3 On Gibraltar

GIBRALTAR (UPI) — Security forces shot and killed two men and a woman who were believed to be Irish guerrillas on a bombing mission in Gibraltar, the authorities said Sunday.

A government spokesman said that one of the three was carrying an Irish passport, and that all were shot at a gasoline station near the Gibraltar airport.

MONDAY Q&A



The Israeli novelist A.B. Yehoshua says most intellectuals in his country agree that Israel must talk with the PLO.

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General News

Prince Charles opened a U.S. front in his crusade against modern architecture and urban design.

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The United States is demanding that the head of a UN agency respond to charges of mismanagement.

Page 2.

A Masters and Johnson survey on the spread of AIDS draws sharp criticism.

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Business/Finance

Growth in the U.S. economy slowed last month, purchasing managers said.

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Standard Chartered bank said its chief executive agreed to resign.

Page 7.

A Matter of Style: Prince Charles Finds U.S. Cities Lacking

By Paul Goldberger

New York Times Service

PITTSBURGH — Prince Charles, whose criticisms of postwar British architecture and planning have made him his country's most celebrated architecture critic, has brought his crusade to the United States for the first time and expanded his target accordingly.

Addressing a conference on the regeneration of older cities, the Prince of Wales said, "In the United States and the United Kingdom, we have had 40 years of practice at urban design and comprehensive planning and development.

"The results have been pretty disastrous."

Charles's remarks on Saturday, marked the conclusion of the four-day conference sponsored by two architects' groups. They aligned him firmly with the camp of American architects who have sought to distance themselves from postwar modern architecture, although his theme revolved more around urban design and the politics of planning than aesthetics.

He reiterated the plea for a return to traditional architectural styles that he has issued several times in Britain.

"If we encourage a renaissance of craftsmanship

and the art of embellishing buildings for man's pleasure and for the sheer joy in beauty itself, as opposed to mere functionalism," he said, "then we shall have made our cities centers of civilization once again."

Several times, Charles spoke of the need for average citizens to become involved in the process of planning cities. He hailed a movement that has come to be known in England as "community architecture." It takes as its basic principle the notion that people who use buildings, should have a central voice in their design.

"When all is said and done, it seems to be that the most essential feature of this whole debate is how to recreate communities," the prince said. "It is the anonymity created by postwar urban design which seems to have produced a breakdown in the normal functioning of a community."

His advisers, who have become accustomed to his outspokenness on issues of architectural aesthetics, were said to have been divided over his ringing endorsement of the community architecture movement.

It is seen by some architects, particularly in the United States, as a radical challenge to their professional expertise. The prince was reported to have been

asked to endorse participation by citizens in the planning process without mentioning the phrase "community architecture." However, he used the phrase firmly and deliberately.

The reaction to his remarks, however, was enthusiastic, even among members of the American architectural establishment. Charles was given a standing ovation at the conclusion of his speech, and none of the other speakers on the program Saturday morning took issue with his theme.

The presidents of the two professional societies that sponsored the conference, the American Institute of Architects and the Royal Institute of British Architects, issued a joint declaration just before the prince's speech. In it, they pledged their organizations "to the crusade of citizen architecture and community architecture."

Charles attended much of the program, listening attentively from a chair on the side of the stage as he scrutinized the ornate classical dome of the hall.

The prince did not criticize any specific work of architecture or planning, perhaps out of deference to his American hosts. His speech thus contained no

remarks like the one he made in London in 1984, when he began his career as an architecture critic by calling a proposed addition to the National Gallery "a monstrous carbuncle on the face of a much-loved friend."

In December, he attacked postwar buildings in London by calling the structures around St. Paul's Cathedral "a jostling scrum of office buildings so mediocre that the way you remember them is by the frustration they induce."

Charles did not hesitate to speak about Pittsburgh, which he toured Friday. He urged that preserving older buildings, including at least one nonfunctioning steel mill, be a critical part of any plans for the Monongahela Valley, the depressed industrial area near Pittsburgh whose uncertain future was used as a case study for the conference.

Charles also toured the valley, and expressed his hope that its older industrial buildings could be viewed "as a real asset which, once restored and converted, can ensure the town or city has a special character of its own."

"But still," he said, "planners and developers persist in destroying so much that is of real intrinsic value."

WORLD BRIEFS

Delhi Gesture Toward Sikhs Hinted

NEW DELHI (AP) — The government of Prime Minister Rajiv Gandhi dissolved the Punjab state assembly Sunday in what some suggested might be an overture to Sikh militants.

President Ramaswami Venkataraman issued the order at the request of the state governor. There was no immediate announcement of new elections for the 115-seat assembly. These are expected before May 1 when federal rule in the state expires.

Mr. Gandhi dismissed the top elected officials in Punjab on May 1 and suspended the assembly, saying that they failed to curb violence by Sikh extremists. He then imposed federal rule.

Moscow Loosens Controls on Co-ops

MOSCOW (Reuters) — A draft law that would allow cooperatives to issue shares and set prices for their products was published by the Communist Party daily Pravda on Sunday.

Pravda said in December that 9,000 cooperatives employing 90,000 people began operating in the Soviet Union last year under a new law to encourage enterprise. The ventures range from cafes and restaurants to medical clinics, craft workshops, beauty salons and aerobics centers. But they have been strictly controlled and have often had problems with the Soviet bureaucracy.

Under the proposed law, the cooperatives could issue shares to the members or people working on a contract basis for them. Pravda said "The document formalizes a co-op's right to fix any prices for its goods and services that it thinks the market will bear," Pravda said.

Report Criticizes NASA Research

WASHINGTON (WP) — NASA's effort to minimize risks in the space shuttle is still too fragmented and subjective despite many improvements made since the Challenger disaster, an independent panel has concluded after a 14-month investigation.

The panel said the National Aeronautics and Space Administration should use more objective methods, including modern statistical analysis, to supplement its heavy emphasis on the judgment of engineers. And managers should target the most serious risks instead of continuing the "illogical" practice of trying to deal equally with thousands of them, the National Research Council panel said in a report released Friday.

The shuttle system was deemed to be safer today than at the January 1986 launch of Challenger, and the panel found "no showstoppers" that will prevent the next shuttle launch, scheduled for August, according to the committee chairman, Alton D. Slay. The Challenger exploded shortly after its liftoff, killing the seven crew members.

39 Are Killed in Sri Lanka Violence

COLOMBO (Reuters) — Separatist Tamil guerrillas have stepped up attacks in eastern Sri Lanka, killing at least 39 civilians in four days, military officials said Sunday.

In the most recent attack, 24 people were killed in a truck that was blown up by a landmine on Saturday at Sitaru, south of the eastern port of Trincomalee.

Military officials blamed the attack on Liberation Tigers of Tamil Eelam guerrillas.

5 Die in Soweto Attacks on Hearse

JOHANNESBURG (Reuters) — Large groups of blacks attacked two hearses in the black township of Soweto, killing five passengers and burning coffins, the police said.

A crowd using knives and stones killed three occupants of a hearse and tried to burn their bodies in the north of the township, the police said Saturday in a regular report on unrest. Policemen dispersed the attackers with tear gas, but the hearse containing two coffins was burned out. In central Soweto, a crowd stabbed two men to death in another hearse. The police report gave no indication of the motive for the killings.

In other incidents, a gunman shot and killed a black councillor in Clermont, between Durban and Pietermaritzburg, and a group stabbed a 26-year-old man near Durban. The Pietermaritzburg area is the scene of a feud between supporters of South Africa's largest anti-apartheid group, the United Democratic Front, and the conservative Zulu organization Inkatha. The feud has claimed more than 400 lives in the past year.

For the Record

Fernando Hiriart Bakderrama has been named as the Mexican envoy minister, replacing Alfredo del Mazo González, who has been appointed ambassador to the European Community.

A three-man U.S. government medical team has completed talks with Vietnamese officials on plans to help Vietnamese who were disabled in the war, Radio Hanoi reported Sunday.

The Libyan Foreign Ministry said the government was planning to release all foreign prisoners, according to a JANA news agency dispatch monitored in Rome. The dispatch did not give any details about the prisoners or say when they would be released.

More than 50,000 people marched in London on Saturday, calling on officials to inject more money into the national health service.

The European Community and the World Bank plan to release about \$300 million of famine-relief aid to Ethiopia following a drive by the government to implement more liberal agricultural marketing policies. EC and World Bank officials say.

Political Leaders in Pakistan Press Government to Act on Afghan Pact

By Richard M. Weintraub

Washington Post Service

ISLAMABAD, Pakistan — Pakistani political leaders overwhelmingly urged the government to press ahead with an accord to end the war in Afghanistan during a political conference that ended Sunday, but the government remained silent on its intentions.

Sources close to the two-day conference said that all but three of the 19 parties attending said that all efforts must be made to ensure the return of Afghan refugees to their homeland, but that this issue should not stand in the way of an agreement that would lead to the withdrawal of about 115,000 Soviet troops.

Pakistan has been insisting on the formation of a new government in Kabul as part of an overall agreement on troop withdrawal to create conditions under which an estimated three million Afghan refugees would return home.

[Zain Noorani, the Pakistani minister of state for foreign affairs, returned to Geneva on Sunday

with no hint of compromising on Pakistan's demand for a new government in Kabul, Reuters reported on Geneva.

"We feel the formation of an interim government is as important as signing a treaty," he said at the airport.

With a reported deadline of March 15 fast approaching, Pakistan appears locked in a high stakes test of wills with the Kabul government and its Soviet backers. It remains unclear what the Kabul-Moscow attitude would be if the Pakistanis have not signed an accord by March 15.

The unusual conference of all national political leaders stretched for 12 hours over two days in Rawalpindi and heard a wide array of opinions on what Pakistan's position toward the talks should be.

Representatives of the country's religious-based parties reportedly urged no agreement that did not fully recognize the position of the Afghan political parties that Pakistan has supported throughout the war against Soviet troops and the Communist regime in Kabul.

Several small leftist parties urged an unequivocal policy of signing an accord only dealing with troop withdrawal, while the majority of parties followed the lead set Saturday by Benazir Bhutto, who leads the Pakistan People's Party. She counseled efforts on behalf of the resistance parties, but not ultimately at the expense of an accord on the Soviet troops.

The latest round of indirect talks in Geneva between Pakistan and the Kabul government opened last week and is to resume Monday.

The opening sessions of the talks saw major breakthroughs on the issue of a timetable for the Soviet pullout and the pace of withdrawal, with Soviet troops to be withdrawn over nine months and half of them leaving in the first three months.

Nevertheless, in an interview with a London television station, the Pakistani foreign secretary, Abdul Sattar, said that the talks are at "a complete stalemate because the other side is not prepared even to begin consideration of the idea of establishment of a transitional government."

Later in the interview, however, Mr. Sattar hinted at some flexibility in the Pakistani position, when he said that "if there is sufficient progress, if we are convinced that we are on the way to establishment of a transitional government, then that, in itself, will influence Pakistan's position in regard to the signing of the agreement."

This appears to imply a Pakistani willingness to sign the documents relating to withdrawal if there is an assurance of a good faith effort to try to reach an accord on the interim government.



Prime Minister Mohammed Khan Junejo with Benazir Bhutto at the conference.

Pakistan is being hampered in its efforts to press for an interim government in Kabul by the inability of the resistance groups to come up with a unified stand on a proposed government.

President Mohammed Zia ul-Haq was reported by sources to be meeting late Sunday with the leaders of the seven resistance groups based in the Pakistani city of Peshawar. Previous meetings, which almost never have been publicized, have led to significant changes in the positions of the resistance groups.

Paris Plays Down Afghan Report

The Associated Press

PARIS — The French Foreign Ministry said Sunday it had no information about the deaths in Afghanistan of two Frenchmen who were reported killed while accompanying guerrilla fighters.

The Soviet news agency Tass cited the Afghan press agency Bakhtar as reporting that two

French military instructors died in a clash between two Afghan rebel groups.

A spokesman for the French Foreign Ministry said the government had received "no information concerning the deaths of French citizens in Afghanistan or in Pakistan."

The spokesman added, "There are no French military advisers with the Afghan resistance."

PLO Sanction Repeal Proposed

New York Times Service

WASHINGTON — A bill has been introduced in the House to repeal a congressional decision to close the Palestine Liberation Organization's observer mission to the United Nations.

Congress ordered the closing of a Palestinian information office in Washington and the PLO observer mission at the United Nations in legislation that gained final approval in December.

says closing the observer mission, which is to take place in three weeks, violates U.S. treaty obligations to the United Nations, as well as the First Amendment rights of American citizens.

The bill was introduced Thursday by Representative George W. Crockett Jr., Democrat of Michigan. It has 18 co-sponsors. The bill

Washington Tells FAO To Respond to Charges

By Roberto Suro

New York Times Service

ROME — The United States has demanded that the chief of the Food and Agriculture Organization, Edouard Saouma of Lebanon, respond to allegations of improper management practices, including the distribution of jobs and contracts to win political support.

The United States is also withholding its contributions to the organization, the largest United Nations specialized agency, as it joins other major donors in pressing for basic, long-term reforms.

Mr. Saouma has claimed that the United States, the organization's largest contributor, "plays a dominating role" in a financial crisis at the agency because Washington's unpaid donations, some dating back to 1986, will total \$132 million this year, more than half of the organization's annual budget.

The agency's primary activities involve offering technical assistance and policy advice to governments on agricultural issues.

Speaking of the organization's staff, Fred J. Eckert, the U.S. ambassador to the agency, said in an interview, "they think the U.S. should write checks, period. Well, Americans are good at writing checks but we are also good at asking questions and this time we are going to ask questions before we write checks."

In a letter to Mr. Saouma dated March 3, Mr. Eckert posed 10 questions on financial and management practices at the agency. He asked if some employees served as members of government delegations at the

agency's biannual policy-making conference last November and whether a number of family members of government representatives held jobs at the agency.

The ambassador also asked how many former government representatives now work at the agency.

Mr. Eckert said in the interview that he had evidence that jobs were being dispensed in ways designed to influence governments' policies toward the agency in clear conflicts of interest.

Another question seeking information on the agency's purchases and sales of automobiles over the past five years was apparently provoked by reports that little-used vehicles have been sold cheaply to government officials.

Mr. Eckert also sought information on the salaries, fringe benefits and entertainment allowances of Mr. Saouma and other officials.

Last year, the United States joined forces with a dozen donor nations that coordinate policies toward the agency. The group generally praises the agency's purposes and many of its field programs while pressing for changes in its methods for setting budget priorities, monitoring expenses and determining the effectiveness of projects.

A major concern expressed by the donor group is that Mr. Saouma and the secretariat dominate policy-making at the agency to the exclusion of the member nations. Frequent complaints have been made about the Technical Cooperation Project, a \$60 million fund that Mr. Saouma can dispense in amounts up to \$400,000 entirely on his own. Mr. Eckert's letter asked for a detailed disclosure of how this money is spent.

In 1986, the United States only paid \$33 million of its annual assessed contribution \$50 million, and it has paid none of its 1987 assessment. Congress recently cut the amount of money available to the agency to \$25 million, judging it one of the international organizations least responsive to U.S. policy. Britain and Canada also have delayed payments while reviewing the agency's performance.



FOTO: G. V. BASTIEN

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TRAVEL UPDATE

Tour guides at the Vatican will no longer be able to lecture inside St. Peter's Basilica as part of an effort to reduce noise levels in the church. Basilica authorities have asked guides to explain the church features in the atrium before walking through the main part of the church.

The ground staff of Alitalia planned to strike again Monday. Sunday, strikes at Leonardo da Vinci Airport in Rome caused many flights to be delayed or canceled, airport officials said.

A Japanese company has proposed to build and operate a 300-mph (490-kph) train that would carry visitors 20 miles from Orlando International Airport to Disney World in 10 minutes.

ORIENT: An Asian Line Next?

(Continued from Page 1)

ist officials and their response was "very enthusiastic."

Since the 1970s, tourism has become a major source of revenue and employment for Thailand, Malaysia and Singapore.

Hans Tuggener, manager of Diehelm Travel in Bangkok, said that Africa, Latin America and the Caribbean used to be the leading destinations for international travelers.

But rapid expansion of air services to East Asia in recent years and construction of high class hotels and resorts, combined with political stability and rapid economic growth in many countries of the region, have shifted tourist priorities.

"Right now it's the Far East that is the most appealing destination for many people," he said.

Mr. Williams said that his company was looking for opportunities to expand but added that, "our proposal for a Southeast Asian service is the only one we are presently contemplating outside Europe."

Tourist arrivals in Thailand increased from about 1.8 million in 1980 to more than 3 million last year.

Income from tourism in 1987 amounted to about \$1.8 billion, making it Thailand's largest foreign exchange earner.

Europe, the United States, Japan and other countries in East Asia are the biggest and fastest growing sources of tourists for Thailand.

Nearly 70 percent of overseas visitors are males. Many come in search of sexual pleasure. Venereal disease clinics advertise diagnostic and curative services in English, Arabic and European languages.

However, Thailand's tourist authorities are trying to tone down the country's image as a sex paradise.

They are, instead, promoting its scenery, beaches, shopping, handicrafts and historical sites, and the arrival of an up-market service as helpful for promoting a more broadly based tourist traffic.

Mr. Williams said that if the Southeast Asian service went ahead, it would probably consist of about 16 specially constructed or refurbished carriages, including dining and sleeping cars.

They would carry about 140 passengers in air-conditioned comfort initially once a week, between Thailand and Singapore, he added.

Mr. Williams declined to estimate the cost of launching a Southeast Asian service but other commercial sources said an investment of between \$7 million to \$9 million (\$12 million to \$16 million) would be needed.

While passengers can expect haute cuisine, outstanding comfort and impeccable service, a high class train ride through the tropics won't be cheap.

It costs \$1,100 per passenger, including meals, for the 31-hour trip between London and Venice.

On the existing express service between Bangkok and Singapore, the fare for a first-class air-conditioned sleeper, without meals, is about \$100.

Mr. Tuggener said that if the proposed luxury service was properly marketed there would be a big demand for it from Europeans, Americans, Asians and others who were prepared to pay premium rates to travel in style.

Instead of the churches, farms, meadows and Alpine scenery of Europe, he said, they would see Buddhist temples, mosques, rice fields, rubber and oil palm plantations, and of course, real jungle.

Handwritten text at the bottom of the page, possibly a signature or date.

Sex Researchers' AIDS Data Disputed

By Michael Specter
Washington Post Service

WASHINGTON — A study by William H. Masters and Virginia E. Johnson, the human sexuality researchers, states that the number of heterosexuals infected with the AIDS virus has been "gravely underestimated," but public health officials question their research methods.

The findings, which are in sharp contrast to those of almost any other researcher, are to appear in this week's issue of *Newsweek*.

Most recent studies indicate that far fewer than one percent of heterosexuals carry the acquired immune deficiency syndrome virus.

The Masters and Johnson study, however, found that among 400 heterosexuals with at least six sex partners a year for the past five years, 7 percent of the women and 5 percent of the men were infected with the human immunodeficiency virus (HIV) that causes AIDS. They estimated that 5 percent of American heterosexuals have that number of partners.

"This is dangerous," Dr. Mathilde Krim, founding chairman of the American Foundation for AIDS Research, said of the study. "It is patently irresponsible to present their opinion concerning transmission of HIV without supplying backup data and methods of study."

A U.S. Public Health Service official, who declined to be identified, said, "I cannot conceive of any random survey that could find a rate that high. Those rates are almost exactly the same as those we find in many anonymous testing centers and sexually transmitted disease clinics where people at highest risk are often tested. It makes no sense."

Masters and Johnson were unavailable for comment but were to discuss their results Monday at a New York news conference.

Their study surveyed heterosexual men and women in Los Angeles, New York, St. Louis and Atlanta. They chose 800 volunteers between the age of 21 and 40.

Public health officials have questioned the volunteer studies on HIV prevalence because the groups that participate rarely reflect the public at large.

One recent study conducted at clinics in Baltimore dealing with sexually transmitted disease found that 2.6 percent of the heterosexuals tested were infected with the virus. Most medical specialists were surprised by those results, which — while far higher than many other studies — are not nearly as striking as Masters and Johnson's.

Recent results of HIV testing among military recruits show the ratio of applicants having HIV to be 1.19 per 1,000. Studies of blood donated to the Red Cross have consistently shown even lower rates of infection, fewer than one per 1,000.

The Masters and Johnson study found only one infection among 400 monogamous heterosexuals.

The researchers also conclude, "categorically, that infection with the AIDS virus does not require intimate sexual contact or sharing of intravenous needles. Transmission can, and does, occur as a result of person-to-person contact in which blood or other body fluids from a person who is harboring the virus are splashed or rubbed against someone else."

A senior scientist at the National Institutes of Health, who also declined to be identified, said, "Only a fool would publish something like that. There is no data to support it at all."

So far, of the 54,000 cases of AIDS reported to the Centers for Disease Control, none has been the result of casual contact.

New York Program

Beginning next month, counseling and testing for antibodies to the AIDS virus will be routinely offered at 326 state-financed prenatal and family-planning clinics throughout New York state and in the reproductive clinics at five New York City hospitals, *The New York Times* reported.

Health officials hope primarily to reach minority women, who account for more than 80 percent of female AIDS cases in New York City and who have given birth to more than 90 percent of the infants born with the fatal disease. Those who test positive will be counseled on the implications of their infection; those who test negative will be taught how to avoid the virus.

A recent state study, the first comprehensive look at infection rates among American women of reproductive age, showed that one woman in 61 giving birth in New York City carried the virus, with an estimated 40 percent infecting their children. The study projected that 1,000 infected infants would be born in New York City this year, with their condition undetected until after birth.

New York is the American city hardest hit by drug-related cases of AIDS, and health officials say the new testing and counseling programs will be the first in the nation on a large scale.

The new programs are being hailed by many health experts, although some fault the state Health Department and the city Health and Hospitals Corp. for a belated response.

AMERICAN TOPICS

Blacks in College: Two Worlds Discrete

"Nearly a quarter-century after passage of the great civil rights legislation of the 1960s," Jonathan Yardley reports in *The Washington Post*, "there remain two worlds of American higher education."

At predominantly black colleges and universities, black enrollment runs upwards of 80 percent. Other institutions, nominally open to all, are, in fact, overwhelmingly — almost exclusively — white or, these days, white and Oriental.

The writer cites not only the percentage of blacks at institutions in the South, such as South Carolina at 15.1 percent, Virginia 10 percent, Georgia 4.5 percent, Mississippi 7 percent, but elsewhere: Arizona 2 percent, Illinois 3 percent, Michigan 6 percent, Pennsylvania 3.3 percent.

The University of Nevada at Las Vegas, where black enrollment is 6 percent, has a largely black basketball team. At the University of Oklahoma, with a predominantly black football team, black enrollment is 4 percent. Despite genuine efforts by some institutions to recruit more black students and faculty, "the picture overall is that of a system in which blacks are welcomed, and exploited, for their athletic skills, but otherwise are permitted only a token presence," Mr. Yardley writes.

Yet discrimination "is by no means the only explanation" for "the loyalty of the black middle class to its own institutions is intense, and helps explain the preference that many of its children express for predominantly black colleges and universities."

Short Takes

The Hawaiian island of Lanai is about to switch its economic emphasis from pineapples to tourism. Flexi-Van Corp. of New York plans to spend \$200 million to build two hotels, private mansions, a new air terminal and a refurbished market. The Filipino immigrants who make up most of the population of 2,100 will get the first chance at hundreds of new jobs. Environmentalists are upset but Bob Oda, a Flexi-Van official, said, "Instead of working in the hot sun, they can work in air-conditioned hotels. Nothing is harder than plantation work."

More American college students are studying abroad, 48,483 at the last count in 1985-86, compared to 27,145 in 1982-83, according to the Institute for International Education. The most popular single country, Britain, attracted 29.3 percent of all Americans studying abroad, followed by France with 13.7 percent, Spain with 8.8 percent, Italy 7.8 percent, and West Germany 6.1 percent. Latin America attracted 7 percent, with smaller percentages studying in Asia, the Middle East, Eastern Europe and Africa. More than 340,000 foreigners attend U.S. colleges.

Shorter Takes: A federally-financed report says it will cost up to \$90 billion a year to repair and expand dilapidated U.S. highways, mass transit and waste disposal systems and other public infrastructure. • New York City garbage collectors, officially known as sanitation workers, get \$23,100 a year to start and \$33,000 after three years. With bonus pay and overtime, most can make up to \$40,000.



WHITE HOUSE SURPRISE PARTY — President and Mrs. Ronald Reagan during a surprise party given by their staff in the residence on Friday to celebrate their 36th wedding anniversary.

Notes About People

The Kinnest quintuplets of Far Hills, New Jersey — Sara, Amy, Abby, Ted and Gordon, have turned 38 and all are going to different colleges. They were born Feb. 24, 1970, to Peggy Joe Kinnest, who had taken fertility drugs. Their father, William, committed suicide in 1984 when his plastics business went sour. "We've been five all our lives," said Sara. "Now is our chance to be one." "I'm looking forward to this next step," their mother said. "You're worn out by their senior year" in high school.

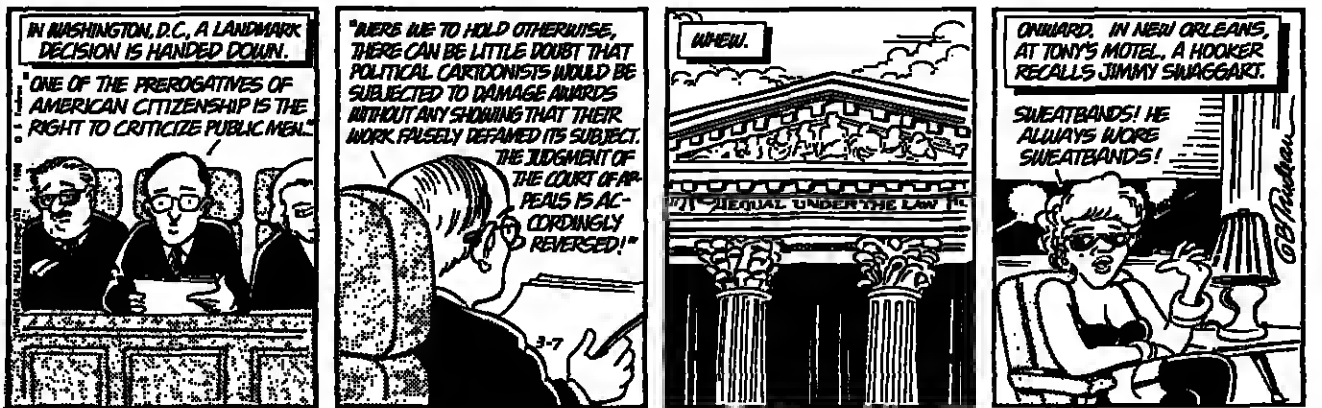
Representative Patricia Schroeder, Democrat of Colorado, an ardent advocate of taxpayer support for day care of infants with working mothers and other family causes, says her congressional colleagues are afraid to crusade for such issues because "they'll be accused of having lace on their underwear."

Mrs. Schroeder, who abandoned her own presidential candidacy for lack of money, said she would only be interested in the vice presidency if it "could be something more than funerals, fundraisers and cheerleading." She said she would like to be secretary of defense "because that's where the money is."

The mezzo-soprano Frederica von Stade, appearing at the Washington Opera in Massenet's "Cendrillon," had her daughters, Jenny, 10, and Lisa, 7, flown down from their Long Island home for the premiere. She told *The Washington Post*, "they're always shutting me up in church, saying, 'Please, Mommy, don't sing. Everybody turns around and stares at us.'"

Arthur Higbee

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UPDATE

London — The World Bank has announced that it will provide \$1 billion in aid to help build roads and bridges in the country.

Asian Line News

The airline has announced that it will provide \$1 billion in aid to help build roads and bridges in the country.

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A Surprise in '88: How U.S. Voters See the Issues

By E.J. Dionne Jr.
New York Times Service
WASHINGTON — Are there any issues out there?
So far, the 1988 presidential campaign has produced remarkably few that separate one candidate from another, and many of the issues that have emerged are not affecting voters the way the candidates might expect.
Take taxes. Republican candidates, particularly Vice President George Bush and Senator Bob Dole of Kansas, have accused one another of wanting to raise them. The theory is that Republicans are far more opposed to higher taxes than Democrats.

Forty-five percent of Mr. Gephhardt's supporters say that Japanese imports are creating "unfair competition" for the United States, but so do 43 percent of Mr. Dukakis's supporters and 42 percent of Mr. Gore's backers.
Mr. Dukakis has made opposition to the Reagan administration's policies in Central America a major theme of his campaign.
Mr. Gephhardt and the Reverend Jesse L. Jackson also oppose these policies. But Mr. Dukakis's Southern supporters are more hawkish on Central America than are backers of Mr. Gephhardt and Mr. Jackson, and not much less hawkish than Mr. Gore's, even though on foreign policy, Mr. Gore is trying to run against the field from the right.
Forty-five percent of Dukakis supporters said they were more worried about war in Central America than about a communist takeover, but 43 percent said they were more worried about communism. Mr. Gephhardt has been getting conservative votes, but on this issue, his backers take the view associated with liberals: 52 percent of Gephhardt supporters are more worried about war, only 33 percent

about communism. Mr. Jackson's backers took a similar view.
Mr. Gore's supporters are more hawkish, but not significantly so: 40 percent of them are more worried about war in Central America, 49 percent about communism.
Do issues count for more on the Republican side?
The poll found that the main difference between Bush and Dole supporters is that supporters of Mr. Dole are less optimistic about the state of the nation. Only 28 percent of Mr. Bush's supporters and 24 percent of Mr. Robertson's said the United States was weaker than the Soviet Union. But 35 percent of Mr. Dole's supporters said this.
Only 17 percent of the Bush supporters think the economy is getting worse, but 33 percent of Dole backers and 30 percent of Robertson supporters said the economy was deteriorating. Backers of Mr. Dole and Mr. Robertson are also more inclined to blame Japan for America's economic problems than Bush supporters are. On Central America, supporters of Mr. Bush, Mr. Dole and Mr. Robertson all fear communism more than they fear war, by margins of better than five to three.

Bruising Race Is Worrying Republicans

By Michael Oreskes
New York Times Service
ATLANTA — The Republican Party's search for a successor to Ronald Reagan, whose landslide victories stirred its hopes for a national realignment under Republicans, has turned into a campaign so rough that some party leaders are worrying that they may lose the White House and many other offices this fall.
The problem is far more than bruised feelings among campaign staff members or even candidates. The rifts are beginning to open at state, county and precinct levels among the various constituencies that rallied behind Mr. Reagan but now find themselves without much common bond.
The most serious split is between the old-line Republicans backing Vice President George Bush and the fervent newcomers supporting Pat Robertson.
But the personally charged battle between Mr. Bush and Bob Dole, the Senate minority leader, has also provoked warnings from within the party that the fighting is providing ammunition for Democrats to use in campaign commercials for the general election this fall.
Mike Levesque, Rhode Island's Republican chairman, sent a letter to the party's presidential contenders this week, saying they should focus on the economic success of the Reagan administration rather than being "sidetracked into negativism" toward one another.
The candidates were unmoved. In the closing days before Saturday's primary in South Carolina and the Republican voting in Rhode Island and 16 other states Tuesday, Mr. Bush and Mr. Dole launched new waves of negative television advertising at each other. Mr. Dole's advertising says Mr. Bush owes voters "an honest answer" about his role in the Iran-contra affair.
Mr. Bush, in turn, depicts Mr. Dole as having failed to deliver Senate votes for President Reagan on a number of issues, including the Supreme Court nomination of Judge Robert H. Bork.

The long-term damage of all this will depend to a large extent on what happens next, party leaders said. Mr. Dole's campaign is hoping to limit the size of Mr. Bush's victories Tuesday and then engage in a drawn-out battle for delegates in the northern industrial states. This, a top Dole strategist conceded, is a formula for a long and bitter campaign.
Frank J. Fahrenkopf Jr., the Republican national chairman, expressed concern over the way the presidential campaign has developed.
"In some states," he said, "where there are close races for other positions, it can affect a senatorial race or a gubernatorial race. I think this is a legitimate concern we should look at. Anything that divides the party hurts us. But I don't see it right now."
Mr. Fahrenkopf said that he viewed the tensions occasionally created by the entry of new Robertson voters into the party as "isolated" problems. The sharp exchanges on the campaign trail among candidates are just part of the vigorous process of politics and are not yet a problem either, he said. But he said: "That's not to say it may not happen down the road."
But the reality reported from dozens of precinct, county and state organizations across the country is that of a party divided and a leadership concerned about Republican direction.
Mr. Reagan, the man who held things together, has given no real signal as to whom he thinks the party should follow now. This has produced a shifting set of alliances among presidential candidates trying to re-create the coalition — Republicans of the Eastern establishment, of the Farm Belt and of the religious right.
Mr. Robertson's campaign teamed up with supporters of Representative Jack F. Kemp in Michigan caucuses until Mr. Kemp bolted to work with Mr. Bush. The result was an official delegate count that had Mr. Bush first, and a rumpled delegation that the Robertson forces plan to send to the national convention. Mr. Kemp's departure only fueled the fervor of Robertson

supporters working to take over state and local party structures from Maine to Georgia.
In Maine, supporters of Mr. Bush and Mr. Dole teamed to stop Mr. Robertson in the caucuses. "This isn't diddlewinkies," Governor John R. McKernan Jr., a Bush supporter, said in explaining the Bush-Dole alliance. "We're talking about the future of our party."
But Mr. Dole's campaign chairman in New York, Senator Alfonse M. D'Amato, accused other Republican party leaders of changing party primary rules in favor of Mr. Bush, the same kind of allegation Mr. Robertson's spokesmen have made in other states. In the South, Mr. Robertson and Mr. Dole acknowledge a common interest in stopping Mr. Bush, although they insist there is no formal deal to work together.
The conflicts and crosscurrents have already set back efforts to achieve party goals, including Mr. Fahrenkopf's expressed hope of reclaiming a Senate majority this fall.
The fight in Michigan has made a shambles of that state's Republican Party, which as a result has been severely hampered in its effort to mount a challenge this fall to Senator Donald W. Riegle Jr., the Democratic incumbent. The national party had been trying to recruit the Michigan state chairman, Spencer Abraham, as a candidate, but he was too overwhelmed trying to hold the party together to run.
In the closing months of the Reagan era, there are also other signs of the kind of in-party battles that develop in the absence of strong leadership.
In North Carolina, local Republican leaders, most of them Bush supporters, actually lied to Robertson backers about the time of precinct meetings. The Robertson people, in retaliation, flooded the meetings, and in one case barred Governor James G. Martin from being a convention delegate. After some negotiation, they relented.



The Reverend Jesse Jackson waving to supporters at the University of Maryland in College Park.

Jackson Shows Polish in Maryland, Letting Evangelical Fervor Fade

By Retha Hill
Washington Post Service
WASHINGTON — Something is different about the Reverend Jesse L. Jackson's campaign in Maryland this time around. Fading into the background is the evangelical fervor that characterized his 1984 campaign, the revivalist spirit that brought thousands of new voters onto the registration rolls.
Instead, just before "Super-Tuesday," when voters across the South choose candidates and delegates to the national conventions, there is a confidence in the Jackson campaign born of a more professional organization and an expanded base of support.
Many people, not just blacks, "feel there is a more mature Jesse Jackson," Rosalie A. Reilly, chairman of the state Democratic Party said.
For Mr. Jackson, Maryland could be a laboratory in which to test his national appeal. In many ways the state is a microcosm of America: It is too far north to play a major role in conservative Southern Democratic political strategies, yet it shares with the South a rural outlook. At the same time, it has a large urban black population, a substantial percentage of young, middle-class professionals and a bloc of organized labor.
According to Representative Kweisi Mfume, a Maryland Democrat, Governor Michael S. Dukakis of Massachusetts and Representa-

tive Richard A. Gephardt of Missouri will split the white moderate vote, while Gary Hart and Senator Paul Simon of Illinois will divide the liberal vote. "Therefore," said Mr. Mfume, who is one of Mr. Jackson's two state campaign coordinators, "we have a candidate who could win with 5 to 10 percent."
Jackson organizers are working to improve on the 27 percent of the vote he got in the Maryland primary of 1984, when he finished second behind Walter F. Mondale.
If the type of excitement generated by the 1984 campaign is lacking, supporters and political analysts said, it is because Mr. Jackson has put in place a strong, professional organization that stretches beyond the black precincts of the state.
Recent polls have shown Mr. Dukakis in the lead among Maryland Democrats, with Mr. Jackson close behind.
If Maryland voters follow the pattern established in Iowa, Minnesota, New Hampshire and Maine — where Mr. Jackson surprised pollsters and consultants by picking up substantial numbers of white votes — he could make a strong showing in Maryland, too, supporters and Democratic Party officials said.
Outside predominantly black communities, Mr. Jackson appears to be expanding his base among whites through his call for economic justice, the message of the growing disparity between the wealthy

and the poor and the decline of middle class.
Healing Role Sought
David S. Broder of The Washington Post reported from Little Rock, Arkansas:
Confident that Tuesday's primaries will give him enough delegates and momentum to carry his campaign into the Democratic National Convention, Mr. Jackson is reassuring party leaders that "his will not leave ashes" of embitterment in its wake.
In an interview, Mr. Jackson said he has gained the respect of other Democratic leaders that he felt was denied him in his 1984 campaign. He argued that his candidacy was "expanding and healing the party, not dividing and embittering it," and he made it clear that he wanted to keep it that way.
He also suggested that he would seek the nominee's commitment on programs and personnel in the next administration if he fails to win that nomination himself.
Mr. Jackson's national campaign manager, Gerry Austin, said that after Tuesday's voting, "there will be only three viable candidates and Jesse Jackson will be one of them." Mr. Jackson may have fewer delegates than Mr. Dukakis, Mr. Austin said, but he could lead Mr. Gephardt. The voting in the South Mr. Austin said, will add Senator Albert Gore Jr., Democrat of Tennessee, to the list of crippled or beaten Democratic contenders.

BUSH: Vice President Leads Campaign After Victory in South Carolina

(Continued from Page 1)
The only thing Super Tuesday will confer on Mr. Dukakis is the false illusion of electability.
Bush Lead Conceded
William E. Brock, Mr. Dole's national campaign manager, conceded

that Mr. Bush, who took all 37 delegates in South Carolina, held a "2-to-1 lead or a 3-to-1 lead in virtually every Southern state." But Mr. Brock said Mr. Dole would win some delegates on Tuesday and run better in the Midwest and Western states that follow, news agencies reported.
Mr. Jackson said Sunday on ABC's "This Week with David Brinkley" that his appeal to white voters would last. "More people are crossing lines of color and culture and old habits looking for economic security," he said.
Mr. Dole, during a campaign stop in Missouri, said Mr. Bush would "Mondaleize" the Republican Party. The taunt was a reference to the 1984 Democratic nominee and former vice president, Walter F. Mondale, who lost 49 of 50 states to President Ronald Reagan in that election.
Mr. Dole attributed Mr. Bush's success to Mr. Reagan's popularity. "It's being close to Ronald Reagan," Mr. Dole said, "but some of us were standing by Reagan, and

some of us were carrying the ball for Reagan. That's the difference."
Mr. Dole, while acknowledging that his campaign was down, scoffed at the suggestion that a bad showing Tuesday would destroy his candidacy. "We've been knocked down before," he said. "We're not going to get knocked out."
For Pat Robertson, the television evangelist and Republican candidate, the outcome in South Carolina represented a crushing failure. Ever since his surprise second-place finish in the Iowa caucuses last month, he has been pointing to South Carolina as the place where he would emerge as a genuine contender for the nomination.
Mr. Robertson believed that the large numbers of Christian fundamentalists in the South would give him a solid base, to which he could add a substantial percentage of more secular conservative voters.
Without a Republican primary victory, Mr. Robertson made South Carolina a test of strength when he said after the New Hampshire pri-

Corruption Inquiry in El Salvador Over U.S. Aid Use Ensnarers Leader

by James LeMoyné
New York Times Service
SAN SALVADOR — A prominent candidate for President José Napoleón Duarte's governing Christian Democratic Party has been informed by U.S. and Salvadoran officials that he is under investigation for the misuse of as much as \$2 million in U.S. aid, according to Salvadoran and American officials.
The officials say the suspected corruption is likely to be the biggest case of theft of U.S. aid under the current Salvadoran government, which took office in 1984.
The case is politically sensitive because the suspected party official, Luis Mejía Miranda, is a close associate of Mr. Duarte's son, Alejandro Duarte. The younger Duarte is an heir apparent to the leadership of the party and appears to be trying to defend Mr. Mejía, according to Salvadoran and U.S. officials.
Several of the officials say the case is only the beginning of wider investigations of corruption involving U.S. aid. They contend that further investigations will show significant corruption in other government departments if the U.S. Embassy is willing to pursue such inquiries.
Government officials say Mr. Mejía has denied the charges. Officials at the U.S. Embassy declined to comment.
The American assistance believed to have been stolen was part of a \$10 million program to assist war-torn areas, officials say.
When properly administered, it appears to be one of the government's most effective programs to help poor Salvadorans and win their support against leftist guerrillas.
American and Salvadoran officials say they suspect that Mr. Mejía, the former director of the National Commission for the Restoration of Areas, known as Conara, and several other officials were involved in the misuse and theft of the U.S. funds.
They said Mr. Mejía was informed of these suspicions earlier this year, as was Mr. Duarte. Mr. Mejía resigned as director of the agency three months ago after strong pressure from the U.S. Embassy, officials say. But Mr. Duarte allowed Mr. Mejía to become a party candidate for the National Assembly in elections March 20 on the recommendation of Mr. Duarte's son, party officials said.
Mr. Mejía did not answer repeated telephone calls to his office. A government spokesman said President Duarte would have no comment on the case.
Government officials tried unsuccessfully to persuade Mr. Mejía to step aside as a candidate for the ruling party, Salvadoran officials say.
Some Reagan administration aides have also pushed Mr. Duarte to act on the case, officials say. The American ambassador, Edwin Corr, is in Washington for consultations and has discussed this issue with administration officials.

Mr. Duarte promised that if he were elected as a party candidate, he would be dropped as a party candidate. But Alejandro Duarte defied him and insisted that he remain a party candidate, officials involved in the case say.
Mr. Duarte's son is a candidate for mayor of San Salvador and seems likely to be elected. Senior Christian Democratic party officials say they hope the inquiry into corruption will not affect him.
U.S. officials are worried by what could become a major election scandal. The charges of corruption could damage Mr. Duarte because he did not fire Mr. Mejía when he was first suspected of corruption. Rightist opposition parties are likely to benefit from such a scandal.
If Mr. Mejía is elected as a member of the assembly, he would receive a degree of immunity from prosecution under Salvadoran law.
A main theme of the opposition campaign is that the ruling Christian Democrats are corrupt and have badly mismanaged the country.
Three leading members of Mr. Duarte's party, who declined to be identified, said that Mr. Duarte permitted the creation of a corrupt party machine managed by inefficient bureaucrats with questionable qualifications.
Party and government members are widely accused of selling recommendations to get visas to the United States, of selling duty-free imports of cars and low-interest loans from the Central Bank, and of taking kickbacks on American-funded projects and engaging in theft of government money.
"We told people that we were the party to help them, and now we are stealing," a respected founding member of the ruling party said in an interview. "We caused more damage to democracy with corruption than the guerrillas caused in the war."
American officials add that the way the stealing occurred makes them highly suspicious that similar corruption affects the other programs paid for by nearly \$200 million in direct U.S. grants.
They say that most past audits of American aid have failed to determine whether the money was spent on projects, as the government says.

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CAMPAIGN BRIEFS

Judge to Let Robertson Drop Suit
WASHINGTON (NYT) — A federal judge has agreed to allow Pat Robertson to drop his libel suit against Paul N. McCloskey Jr., a former Republican California congressman, if the Republican presidential candidate agreed to pay Mr. McCloskey's court costs.
Mr. Robertson sued Mr. McCloskey for \$35 million after Mr. McCloskey said Mr. Robertson had used the influence of his father, a senator, to avoid combat duty during the Korean War.
In the ruling, Judge Joyce Hens Green said Friday that Mr. Robertson must pay "court fees, printing costs and court reporters' fees." But she rejected a request that Mr. Robertson be required to pay Mr. McCloskey's attorney's fees, estimated at more than \$400,000.

Reagan Urged to Sign Rights Bill

WASHINGTON (NYT) — Republican leaders are urging President Ronald Reagan to sign a civil rights bill that has overwhelmingly passed in the House and Senate, fearing that a veto would damage Republican prospects in an election year.
Senator Rudy Boschwitz of Minnesota, chairman of the National Republican Senatorial Committee, expressed that view in a letter to Mr. Reagan last week. Warning the president that he would vote to override any veto, he wrote, "I implore you to sign this bill."
White House aides said Mr. Reagan remains determined to veto the measure, which broadens an array of civil rights laws that were restricted by a 1984 Supreme Court decision. He believes the bill would greatly expand federal powers, they said.

PANAMA: Military Under Strain

(Continued from Page 1)
amount to a purge, they suggest that mutual distrust is creeping into the officer corps.
Despite the spreading opposition sentiment, and General Noriega's own reputation, analysts say the country's only serving general has succeeded in building some real support in the forces, much of it among officers who are widely viewed as equally disreputable. In any case, General Noriega's roots in the forces appear to complicate prospects for the kind of barracks coup that U.S. policy makers clearly hope will eventually remove him from power.
In his way, one diplomat said, General Noriega has been "good with the institution" since he took over as commander in 1983. He has paid attention to administrative details and personally attended to the welfare of subordinates, ensuring that the benefits of the military's various legal and illicit business activities are distributed, the diplomat said.
The diplomat said that he has developed "a strong following" in the forces, and added, "People under him are loyal to him, and loyalty is the hallmark of the institution."
For General Paredes, this represents a form of "corruption" in which "the subalterns work more for the man than for the institution."
Indeed, the current crisis also has shown how General Noriega runs the defense forces through a per-

Corruption Inquiry in El Salvador Over U.S. Aid Use Ensnarers Leader

because the suspected party official, Luis Mejía Miranda, is a close associate of Mr. Duarte's son, Alejandro Duarte. The younger Duarte is an heir apparent to the leadership of the party and appears to be trying to defend Mr. Mejía, according to Salvadoran and U.S. officials.
Several of the officials say the case is only the beginning of wider investigations of corruption involving U.S. aid. They contend that further investigations will show significant corruption in other government departments if the U.S. Embassy is willing to pursue such inquiries.
Government officials say Mr. Mejía has denied the charges. Officials at the U.S. Embassy declined to comment.
The American assistance believed to have been stolen was part of a \$10 million program to assist war-torn areas, officials say.
When properly administered, it appears to be one of the government's most effective programs to help poor Salvadorans and win their support against leftist guerrillas.
American and Salvadoran officials say they suspect that Mr. Mejía, the former director of the National Commission for the Restoration of Areas, known as Conara, and several other officials were involved in the misuse and theft of the U.S. funds.
They said Mr. Mejía was informed of these suspicions earlier this year, as was Mr. Duarte. Mr. Mejía resigned as director of the agency three months ago after strong pressure from the U.S. Embassy, officials say. But Mr. Duarte allowed Mr. Mejía to become a party candidate for the National Assembly in elections March 20 on the recommendation of Mr. Duarte's son, party officials said.
Mr. Mejía did not answer repeated telephone calls to his office. A government spokesman said President Duarte would have no comment on the case.
Government officials tried unsuccessfully to persuade Mr. Mejía to step aside as a candidate for the ruling party, Salvadoran officials say.
Some Reagan administration aides have also pushed Mr. Duarte to act on the case, officials say. The American ambassador, Edwin Corr, is in Washington for consultations and has discussed this issue with administration officials.

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Israeli Int...

An Israeli Intellectual Calls for Talks With PLO

A.H. Yehoshua, the Israeli novelist and a professor of comparative literature at Haifa University, has been a leader of protest by intellectuals against his government's handling of Palestinian protests in the occupied territories. He talked with Kurt Ruderman of the International Herald Tribune.

Q. Foreign Minister Shimon Peres invited you and other Israeli writers to meet with him and Defense Minister Yitzhak Rabin. What did you discuss with them?
A. We told Peres and Rabin that Israel has to speak with the Palestinians, including the PLO. We have to recognize their right to self-determination.
Q. Does the Israeli intellectual community agree that the government must negotiate with the PLO?
A. Yes, I think this is the general opinion of the Israeli intellectual community. The PLO is recognized by the majority of Palestinians. I cannot choose their leaders, just as they cannot choose mine. Today, the problem is not with whom Israel must speak, but what position we are discussing. The PLO, today, is becoming like the Jewish Agency, which represented the Jewish people before the creation of the state of Israel.
Q. What has been the reaction of the intellectual community in Haifa?
A. They have become more involved over the last three months. Their commitment takes the form of demonstrations, petitions, speeches. There are two camps: one calling for a Jordanian solution and a second calling for a Palestinian state. Both realize that Israel must give up the territories.
Q. How have your Arab Israeli students at Haifa University reacted to the uprising?
A. There are two groups — loyal Israeli Arabs who identify with Palestinians in the territories and support the

uprising, and extremists who would like to see the revolt spread. The extremists talk about liberating Jaffa, Haifa and Acre. This has always been the argument of the right wing. The present situation will be a test.
Q. How have your Jewish students reacted?
A. Israeli students are moving to the right. The war in

MONDAY Q&A

Lebanon polarized the Israeli public and the present situation is making the two poles more extreme.
Q. What will it take to get a dialogue going between Israel and the Palestinians?
A. The solution must come from the Palestinian leadership. They must show that they are willing to negotiate on the basis of mutual agreement and accept a demilitarized state. Although Yasser Arafat has stated that he will recognize Israel if Israel recognizes the PLO, he must state it more precisely. He never said Israel has the right to exist and has its legitimacy, nor that the PLO is willing to give up the question of the return of refugees of 1948. If Arafat shows he is ready for a demilitarized state in the West Bank and Gaza that will live in peace and keep open borders with Israel, this is the first condition that the majority of the doves demand. He must calm legitimate fears in Israel.
Q. If there were a peace settlement tomorrow, what solution would ensure coexistence?
A. I am for a confederation that would include the three independent states of Israel, Palestine and Jordan. There would be a sort of common market, people would be able to travel easily, free passage of goods. There could even be dual nationality for Palestinians, if they wanted it. This is necessary, for if a state is created with a wall and no contact, the problem will start again.

Senators Assail Shamir For Blocking Peace Bid

By Neil A. Lewis
New York Times Service

WASHINGTON — Thirty U.S. senators, including many of Israel's staunchest supporters, have written a letter criticizing Prime Minister Yitzhak Shamir and his Likud party, suggesting they may be obstructing efforts to reach a peace settlement in the Middle East.
The unusual public criticism of Israel was contained in a letter addressed to Secretary of State George P. Shultz, who returned to Washington Saturday after several days in the Middle East. Mr. Shultz has proposed the outlines of a plan for an interim settlement between Israel and the Palestinians.
The senators who signed the letter said they were dismayed at Mr. Shamir's continued resistance to the concept of Israel's ceding some of the territories it occupies in exchange for peace, a cornerstone of Mr. Shultz's efforts.
Although the letter also contains criticism of Arab states except for Egypt, congressional aides said it was intended principally to send a message to Mr. Shamir and his supporters in the Likud bloc.
In criticizing the Shamir position, the senators appeared to be siding with the approach of the Israeli Labor Party, the partner in Israel's coalition government. Shimon Peres, the Israeli foreign minister and the top Labor official in the coalition, has expressed strong interest in the Shultz approach.
The senators said they supported Mr. Shultz's latest effort to break the dangerous Middle East stalemate, a stalemate that has led to the current cycle of violence and counter-violence. "Noting that Mr. Shamir's strategy is based on United Nations Security Council Resolution 242, the senators said the resolution 'can be summarized in three words: land for peace.'
"Accordingly, we were dismayed to read in The New York Times of Feb. 26 that Prime Minister Shamir had said that 'this expression of territory for peace is not accepted by me.'"
The senators said they do not expect Israel to give up all the territory gained in its 1967 war with its Arab neighbors, nor does the UN resolution require Israel to do so. "On the other hand," the letter said, "peace negotiations have little chance of success if the Israeli government's position rules out territorial compromise."
The letter was circulated by Senator Carl Levin, Democrat of Michigan, and Senator Rudy Boschwitz, Republican of Minnesota.
Also signing the letter were such strong supporters of Israel as Edward M. Kennedy, Democrat of Massachusetts; Alan Cranston, Democrat of California; Daniel

Patrick Moynihan, Democrat of New York; Howard M. Metzenbaum, Democrat of Ohio, and Frank R. Lautenberg, Democrat of New Jersey. A copy of the letter was provided to The New York Times.

During his recent visit to Israel, Mr. Shultz was obliged to talk separately with Mr. Shamir and Mr. Peres because of their different views. Under the coalition arrangement, the two sides have each occupied the prime minister's office at different times.
In the days before Mr. Shultz's arrival in Israel last month, Mr. Shamir said the divisions between the Likud and Labor parties on the issue of whether to cede territory for a peace agreement could threaten the coalition. He threatened to call early elections, although Labor Party officials said it was unlikely they could be held before the scheduled date of Nov. 1.



Senator Carl Levin

Congressional aides said that some senators declined to sign the letter, apparently because they were not inclined to go along with the criticism of Mr. Shamir. The letter also criticized Israel's Arab neighbors, saying that except for Egypt, no Arab state has been willing to guarantee recognition and peace for Israel in exchange for territory.

IRAN: Soviet Embassy Is Attacked

(Continued from Page 1)

by Mohammed Mahallati, Iran's permanent representative to the United Nations. They said it stated that Iran accepted the unanimous Security Council resolution passed in July calling for a cease-fire.
But the United States and other Western governments dismissed the move as a ploy intended to block a proposed global arms embargo against Iran, which has fought Iraq since September 1980.
In Washington, U.S. officials said they believed Iran's UN statement was an effort to sabotage a compromise plan tentatively reached by Secretary of State George P. Shultz and Foreign Minister Eduard A. Shevardnadze in Moscow last month.

Three men appeared before a military court in Jaffa and were accused of brutality and assault.
All three were kept in custody. A fourth soldier was released.
In the incident, filmed by a U.S. camera crew and shown worldwide on television, Palestinians were shown being kicked and pounded with rocks while they crouched on the ground.
The beatings, which took place on Feb. 25 in the occupied West Bank town of Nablus, prompted fresh criticism over Israel's handling of a 12-week-old uprising during which at least 82 Palestinians have died.
In a radio interview, the chief

ISRAEL: Shamir Resists U.S.

(Continued from Page 1)

army education officer, Brigadier General Nebemiah Dagan, announced the army would use videotapes, films and simulated exercises during a month-long campaign to better prepare soldiers to deal with the unrest.
In northern Israel on Saturday, five persons were wounded when rockets fired from southern Lebanon hit a house.
Senior army officers said the rockets were fired by the Palestine Liberation Organization.
An army spokesman, while declining to specify whether Israel would retaliate, said: "Our policy is that the Israeli defense forces will strike at terrorist targets where, when and as it sees fit."

sure for the protection of the embassy and other Soviet offices in Iran.
(Reuters, UPI)
Earlier, Elaine Sciolino of The New York Times reported from Washington:
An unsigned statement handed privately by an Iranian diplomat to the UN Security Council last week has prompted widespread confusion over whether Iran is ready to end its war with Iraq.
State Department officials and diplomats said that the statement, on an unsigned sheet of paper with a letterhead, was presented to the Security Council on Thursday

Police Confirm Moscow Riot but Deny Deaths

Compiled by Our Staff From Dispatches

MOSCOW — Hundreds of Moscow youths battled each other with sticks and iron bars in a street fight last month, and 18 persons were arrested, according to the Moscow police.
The police denied rumors that 10 people had been killed or seriously injured.
"No one was killed, and no one was wounded seriously enough to require hospitalization," an official at the city Interior Ministry said Saturday.
The official said that 18 people were arrested and charged with hooliganism after the brawl on Feb. 20.
The incident was first reported Feb. 24 in the newspaper Vechernyaya Moskva. It said the fighting broke out between youths from the Pechatniki district in southeastern Moscow and young workers living in a dormitory belonging to a car factory in the district.
Meanwhile, the police detained 15 Crimean Tatars on Saturday after members of the ethnic group held up a banner demanding the right to live in their homeland, a dissident said in an interview with The Associated Press.
Vladimir Ribakov, an editor of the unofficial journal Express Chronicle, said that 20 people had gathered outside the Hotel Rossija and unfurled a banner reading

"Return Our Homeland to the Crimean Tatars."
About 250,000 Tatars were expelled from Crimea to Siberia and central Asia in 1944 following accusations that they collaborated with the Nazis during World War II.

In Stockholm, Swedish news organizations reported that two Estonian nationalists accused of taking part in anti-Soviet activities were expelled Saturday from the Soviet Union to Sweden.
One of the two, Heiki Ahonen, reportedly refused to sign a formal

request to emigrate and was forcibly expelled, the Stockholm-based Baltic Helsinki Group said.
Mr. Ahonen and Arvo Oula were greeted Saturday at the airport in Stockholm by a group of Estonians, the Swedish News Agency reported. (Reuters, AP)

Czechs Call For Liberty In Religion

Reuters

PRAGUE — Hundreds of Czechoslovaks chanted demands for religious freedom on Sunday after about 10,000 people joined in one of the largest Roman Catholic Masses celebrated in Prague since Communist rule began 40 years ago.
Following the Mass, more than 1,000 people gathered outside the palace of Roman Catholic primate Cardinal Frantisek Tomasek.
Cardinal Tomasek had issued an appeal for Czechoslovaks from all over the country to come to the service in St. Vitus Cathedral honoring the Blessed Agnes of Bohemia, a 13th century princess who renounced her title to found a convent and hospice.
The primate, 88, has urged his countrymen to sign a 31-point petition demanding increased opportunities for religious education.
East Berlin security officials arrested several activists on Sunday following a church service attended by about 200 people who have been denied permission to leave the country, witnesses told The Associated Press in Berlin.

ARMENIA: U.S. Intends to Raise Immigrant Quota

(Continued from Page 1)

Armenian groups and by Asian Americans — is that the United States would quietly reduce its intake of Indochinese refugees below promised levels. State Department officials said that approach was not feasible because there had been a sharp increase in the flow of refugees from Vietnam to Thailand. Many of the Vietnamese have relatives in the United States.
U.S. officials fear the Thai government might resume its policy of turning away refugee boats if the United States cut back on its commitment to resettle Indochinese refugees given temporary asylum in Thailand. The State Department estimates that 100 Vietnamese refugees died earlier this year after their boats were pushed away from the coast of Thailand.
Undersecretary of State Edward J. Derwinski was to have presented

the department's position Wednesday to high-ranking administration officials who serve on the Senior Interagency Group for Refugee Policy. Mr. Reagan created the group in 1983 to coordinate refugee policy. The meeting was postponed and will probably be rescheduled later this month.
A senior State Department official said, "Soviet Armenian applications for refugee admission to the United States have risen markedly." Applications to the U.S. Embassy in Moscow rose to 1,400 a month in the last quarter of 1987 from about 200 a year in the mid-1980s.
The embassy "believes that there may be 80,000 Armenians wishing to emigrate to the United States, and that applications will remain at a high level for the foreseeable future," said the official, who has access to all government informants

and documents relating to refugees.
The Soviet Armenian republic has been shaken by nationalist protest and clashes in recent weeks. The increase in Armenian refugee applications began before those disturbances.
U.S. officials said the would-be refugees had become dissatisfied with life in the Soviet Union for a variety of social, economic and political reasons, and they perceived that they would have a better chance to get out at a time of improving relations with the United States.
Soviet Jews also come under the refugee ceiling for the Soviet Union and Eastern Europe. The number of Jews allowed to leave the Soviet Union totaled 8,155 last year, the highest level since 1981, according to the National Conference on Soviet Jewry.

Salvadorares Leader

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INTERNATIONAL Herald Tribune

Published With The New York Times and The Washington Post

Cutting Off the Contras

Blame the Republicans

The vote Thursday in the House of Representatives against all further U.S. aid to the Nicaraguan rebels was a mistake. House Speaker Jim Wright's plan for nonmilitary funds would have kept the Contras afloat while supporting the Central American peace talks.

As a contra leader told The New York Times, the Democrats' bill is "better than leaving us hanging." Yet earlier last week, The Christian Science Monitor reported that administration officials were warning contra leaders against backing the Wright plan.

It is as if the president and Elliott Abrams, his State Department chief for Latin American affairs, were willing to perch like vultures, waiting for the negotiations to fall apart. They could swoop down, claw at the Democrats for the failure and intimidate Congress into approving new contra military aid.

The administration has not lifted a finger to help the talks initiated by President Oscar Arias Sanchez of Costa Rica. His Central American clients—the Contras, Honduras, Guatemala and El Salvador—either have ignored their obligations under the Arias plan or taken minimal steps to comply.

Blame the Democrats

The House Democrats looked foolish on the contra vote. Too cleverly, the leadership had devised a two-part procedure. In the first part, the Democrats were to take a symbolic stand against the president's request; that went off fine. In the second part, the Democrats were supposed to pass their own aid bill, one that would ban military aid but provide humanitarian aid in a form that would spare Democrats the charge that they were pulling the plug on the Contras.

Do the House Democrats—who are, keep in mind, in the majority—reflect the balance of forces in the party as a whole? If so, the party is going to have a hard time making a case that it is fit for national leadership, at least on national security issues. In the House, the party's conservative wing is in the minority, and its liberal wing has just given the back of its hand to the

Democrats who voted "yes" surely did so for political protection. No one wants to be blamed for severing the financial artery to the Contras. But the Wright package also would have given Central American negotiators continuing leverage on the Sandinistas.

Republican explanations of their opposition to the Wright plan make little sense. They charge Mr. Wright with having rigged the legislative machinery to prevent a fair vote on their plan. True, but their approach was hardly profoundly different from his:

• Their plan would have allowed delivery of military supplies in the pipeline; the Democrats would have stopped further deliveries. But the Contras already have enough to last for months.

• Republicans wanted the CIA to deliver the nonlethal aid, while Democrats insisted on the Defense Department doing so. The Republicans were probably right to want to keep the U.S. military out of the picture, but this was hardly a critical issue.

• The Republicans demanded a guaranteed early vote on new military aid if the negotiations failed. The Wright plan called on the Intelligence Committee to sort out responsibility for any breakdown, before further action in the House.

Was the Democrats' approach so flawed that no contra aid was preferable? Hardly. There is talk now among congressional moderates about putting together a new contra aid proposal. That is fine to keep in the background; it gives the Sandinistas something to think about. But the administration needs to be thinking, too, about trying seriously to salvage the negotiations.

—THE NEW YORK TIMES.

part of the party that characterizes itself as moderate. On one of the leading issues of the day, the Democrats are tied in knots.

Mr. Reagan said he felt "very happy" about the House vote, calculating that it lets him return with an aid request at least as strong as the one that Democrats refused to allow on the floor. But nobody should feel happy about the vote. The issue is close and divisive, and the atmosphere is increasingly partisan. It is not necessary to Mr. Reagan's advantage that the House leadership, having staked out an ambitious claim to share policy direction with the executive branch, is failing to gather enough Democratic votes to carry their own proposal.

Still, a respectable way out may remain. Let us assume that, for different reasons, the House leadership does not want to abandon the Contras at a time when their transition from a military to a political role hangs in the balance. If the leadership does see reason to try to hold the rebel force intact a while longer, it could shape a proposal that would pick up sufficient votes to carry but that would remain very different from the official Republican alternative. The question is whether the leadership is willing to incur the political pain that this necessarily would entail.

—THE WASHINGTON POST.

Made for Terrorists

Last week, the National Rifle Association took a small step forward and the Justice Department took a big step backward. At issue was proposed legislation to prohibit the manufacture, sale or import of plastic guns—lethal weapons that do not show up on metal detectors at airports and other security checkpoints. These guns are not yet available, but U.S. manufacturers are developing them, and they could reach the market within the year. There is only one logical reason for producing a nonmetal gun: so that a lethal weapon can be concealed, brought into a place where elaborate systems have been set up to keep guns out, and used to threaten or kill innocent people. It is tailor-made for terrorists.

The National Rifle Association has wrongheadedly fought all attempts to ban these handguns. It is hard to fathom what interest the lobbying group was protecting by taking this stand. But finally, NRA leaders appear to have sensed the public reaction to this pigheaded position—particularly the vigorous protests of the nation's police—and they have conceded that some kind of bill might be acceptable. Senator James McClure of Idaho, who is a leading NRA supporter, has introduced legislation

to ban plastic guns that do not have enough metal in them to be detected when security machines are set at their highest level.

Proponents of effective regulation say the McClure bill will not work. If metal detectors are set at maximum levels, they will pick up all sorts of material, like dental fillings, that poses no threat to anyone. Ninety percent of airport passengers, they predict, will have to be searched, and chaos and long waits will result. A preferable bill would ban guns containing less than 8.5 ounces (250 grams) of metal. Because of improvements in detector technology, that probably can be reduced to 4 ounces.

Meanwhile, the Justice Department, which originally had supported the stronger bill, has weighed in on the side of the NRA, praising the McClure proposal as "excellent." The department, which has primary responsibility for combating terrorism in the United States and for working with local law enforcement agencies, should, of course, be pushing from the other direction, for tougher controls and a hard line on airport security. But Edwin Meese's Justice Department is once again turning up at the wrong end of a Justice Department issue.

—THE WASHINGTON POST.

Other Comment

NATO: A Middle Course

[Chancellor Helmut Kohl] followed a middle course in Brussels. He didn't let himself be taken in tow by those German politicians who have been wallowing in self-pity since the medium-range missiles in Europe were negotiated away. These men no longer think in terms of deterrence but of nuclear apocalypse. They want about the Federal Republic being "singularized," as if the whole world had deserted it.

Yet anyone who knows NATO knows that no country can be "singularized" under its deterrence system; they can only isolate themselves. Mr. Kohl realized that he had to avoid this dangerous course. Anyone who now gapes up his weapons, out of panic, without a solid notion of future European security, is acting recklessly.

At a time when Moscow seems for the first time to be accepting Western theories of deterrence, panic-mongers in Germany are pressing for unilateral nuclear disarmament. Others, in no less a frenzy, press for nuclear modernization—now.

Mr. Kohl played it right in Brussels. In so doing, he gained time for reflection and careful consideration of costs.

—Gerd Schmiedke, deputy to the NATO supreme commander from 1978 to 1980, writing in Abendzeitung of Munich.

The NATO summit achieved its main objective, reaffirming the alliance's fundamental political solidarity and resolve to maintain its defenses at a sufficiently credible level to deter any possible aggressor. [But] disagreements over the modernization of short-range nuclear weapons in Europe have not been dissipated. In the interest of unity, the wording of the final communiqué on this subject was impracticable enough for everyone. These differences of view are not satisfactory. The defense and foreign ministers will have to clear up the confusion.

—The Financial Times (London).

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OPINION



The Israelis and Palestinians finally find something to agree on.

NATO: Beneath All the Platitudes Lies a Solid Base

By Flora Lewis

BRUSSELS — Euphemisms and platitudes suitable for sampler embroidery have so overcome NATO discourse that the straight message scarcely gets through.

Interest at the alliance summit meeting last week focused on a compromise that substitutes the phrases "up to date" and "where necessary" for "modernization" of short-range nuclear weapons for medium-range missiles as withdrawn under the INF Treaty.

"Modernize" is a euphemism that means making new and supposedly better weapons. The West Germans oppose any commitment at this stage of uncertainty on where arms control and East-West relations are going.

Bonn is mesmerized by a euphemism of its own, "singularity," by which it means here after more than a year of nuclear risk than its allies. This is asserted on the grounds that if short-range atomic blasts were launched by East or West, most of them would land in Germany, of course, Germany, at the center of the central front, is most exposed to any possible war in Europe, and all the allies, indeed all nations, face nuclear danger.

Fearful of being caught on the wrong side of what Prime Minister Margaret Thatcher of Britain unfortu-

nately called a nuclear "firebreak," the Germans seek "risk-sharing," another euphemism meaning they do not like being up front. But risk-sharing is what the alliance is all about, despite the unavoidable facts of geography.

Because these fuzzy words cover unresolved arguments on how alliance strategy should evolve in changing circumstances, the press zeroed in on them at the summit meeting. And that mattered because the real purpose of the meeting was not to reach new decisions but to make a public demonstration of allied agreement on some immediate, crucial points.

One was to show Moscow that President Reagan will speak with alliance support when he visits General Secretary Gorbachev. For all their bickering, Europe and the United States remain fully committed to their mutual defense pact.

The allies also sought to impress on Mr. Reagan that he must keep their views in mind when dealing with Moscow, and not get swept away by personal visions. "No more Reykjavik surprises" was the clear demand.

For the U.S. Senate, as it considers the treaty eliminating medium-range

nuclear missiles, the point was to show that a blow to the alliance would result from a failure to ratify without encumbering amendments.

Reagan read, hoarsely, a flat little homily on the virtues of unity, then smiled and disappeared. Mrs. Thatcher lectured roundly on the need to keep up defenses even while encouraging Mr. Gorbachev to go on reforming and opening his country.

There are differences of emphasis on how to read and react to Mr. Gorbachev's Soviet Union. But even the most skeptical no longer deny that he is seeking substantial change, even the most optimistic do not pretend they can foresee what will come of it. There is agreement that remarkable new opportunities may be appearing, and that it is too soon to be sure how to pursue them in safety.

The sense of disappointment at what seemed showpiece diplomacy in Brussels came mainly because of the burgeoning debate on whether NATO, there is no new strategy to take account of shifting winds, and there has been much talk about the

need to plan for what they may bring. But the alliance is not ready for that. It may be just as well to wait for a new U.S. administration, a new treaty halving Soviet and American arsenals of intercontinental missiles, and at least a chance to test the prospects for conventional arms cuts in Europe.

A 16-nation alliance of democratic states, all with domestic politics to think of, moves ponderously. A fair-weather challenge ahead may be the most difficult NATO has yet faced. Displaying a solid base to start from is helpful even though issues looming on the horizon have yet to be tackled.

A certain consolidation that emerged in Brussels has been overlooked. It was a revival of the old Kennedy language about "the European pillar of the alliance," underscored by the presence of both the president and the prime minister of France.

That does not mean France is about to renege its forces, but it does reflect that strains between the concepts of "Atlantic" and "European" defense have widened. It is a reassertion that they are complementary, not contradictory.

Under the eye-glazing platitudes, NATO is holding firm. Predictions of decay are vastly premature.

The New York Times.

At the Vienna Talks, Waiting for Glasnost to Arrive

By Warren Zimmermann

The writer is chief U.S. representative to the Vienna follow-up meeting of the Conference on Security and Cooperation in Europe.

VIENNA — The Helsinki process lives on in Vienna, delegates of 35 nations are beginning to make real, if modest, progress. And yet still we argue over where we are headed — over the mission of this entity known as the Conference on Security and Cooperation in Europe.

Is it the task of the CSCE process, some delegates here have asked, to change political realities? A Soviet delegate argued that we should be recognizing and recording political realities, not changing them. Several Western delegates, myself included, contended that political realities were precisely what we should be trying to change. The resolution of that debate may determine whether the meeting here ends successfully.

Of course, all our governments must recognize political realities. Nobody here can change geography and the necessities it imposes on states. Nobody is actively seeking to change national frontiers. Nor is anybody trying to undermine the political system of any participating state.

But in my view, the value of the CSCE lies in contributing to constructive change, not blocking it. In its 12-year life the Helsinki process has been dynamic, not static. It has sought to narrow the gap between written commitments and the observance of those commitments. It has widened the possibilities for far-reaching new obligations on human rights. It has initiated a Europe-wide approach to conventional security issues. The challenge at Vienna is to advance the Helsinki process.

To this end, better compliance is needed with the obligations undertaken at Helsinki and Madrid. Since the Vienna meeting began in November 1986, there has been progress. East of Vienna

we have seen releases of political prisoners, some relaxation of emigration and travel controls, a greater tolerance of broadcast and information from abroad, and a more open environment for political, cultural and historical debate. We have even heard a promise from Mikhail Gorbachev to eradicate a "political reality" that has darkened

The East hints at flexibility on human rights. Now it must act.

both the Madrid and Vienna CSCE meetings — the occupation of Afghanistan by the Soviet army.

Another necessary will be a final Vienna document that goes beyond the achievements of Helsinki and Madrid. Western, nonaligned and even some Eastern countries agree on this. With fresh winds blowing from the East, breakthroughs should be possible on important subjects like the freedoms of movement and of religion, protection of Helsinki monitors, rights of minorities, encouragement of human contacts and freedom of information. Unfortunately, this has not happened.

Instead, we hear from the Soviet Union and others that basic human rights must be limited by national legislation to protect national security, order, health and morals. For these countries, the "political reality" is the limitation of the right, not

the right itself — a view that must be abandoned.

It is fair to ask whether the U.S. government is also ready to change political realities in a constructive direction. My answer is yes. While we believe ourselves to be in compliance with our Helsinki and Madrid obligations, we take seriously charges to the contrary; we investigate and, where necessary, we correct. We are ready to assume significant new textual obligations and to launch major new activities in many areas.

We are prepared to raise the economic element of CSCE, provided that others do not ask us to do what they would never do themselves — transfer militarily valuable technology across the East-West divide. And we are working to bring to the CSCE process the most important conventional security content it has ever had. Conclusion of the Vienna meeting will open the way to twin negotiations on conventional stability and on confidence- and security-building measures — in effect, a new beginning on conventional arms control.

What is still missing in Vienna is the appearance of glasnost and new thinking in the approach of the Soviet delegation and of some of its allies. We are beginning to hear hints of greater flexibility within the Soviet Union, but they have yet to be embodied in specific commitments for a final document. Old political realities that do not serve the spirit of Helsinki have not yet given way to new political realities that do. Until they do give way, the Vienna meeting will not be able to make the contribution to military security and human rights which people in both East and West expect of it.

A German-language version of this article appears in today's issue of Die Presse in Vienna.

Incident in the Black Sea: Who Sent the U.S. Warships?

By Eugene J. Carroll Jr.

WASHINGTON — What were two U.S. warships doing in the Black Sea last month? And who sent them there, at a time when their mission risked very real, if not political, damage to Soviet-American relations?

I don't know the answers to these questions. But from my years in the U.S. navy handling similar missions, I am certain that an elaborate chain of command was involved, and that the decision to approve such a provocative mission was not taken lightly — and probably was made at the highest levels of the U.S. government.

Much more than the safety of 700 American sailors hung on the outcome of this dangerous encounter. If the ensuing collisions with Soviet warships had resulted in a nuclear incident or the death or serious injury of crew members aboard the Yorktown and the Caron, U.S.-Soviet relations would have taken a sharp change of course. The INF Treaty, now facing a difficult passage through the U.S. Senate, might have been the first casualty.

Why, then, were U.S. ships engaged in this risky penetration of Soviet territorial limits at such a sensitive time in U.S.-Soviet relations? The easy answer, given by the Reagan administration, was that the ships were engaged in a routine demonstration of the legal right of "innocent passage" through Soviet waters. This facile response falls short of the truth.

U.S. warships do routinely (two or three times a year) exercise in the Black Sea to demonstrate U.S. rights under the Montreux Convention of 1936. In one sense this is an unnecessary demonstration. No one denies U.S. rights under the convention, nor has Moscow made any protest concerning American use of international waters there. The missions provide an

opportunity to observe some Soviet Black Sea fleet operations and to collect intelligence while Soviet air and naval units are tracking U.S. activities.

U.S. ships had, until recently, been under orders in the Black Sea to remain at least 12 miles (20 kilometers) from the coastlines of all littoral states. The first recorded instance of a change in this practice occurred in March 1986, when the same two U.S. ships — the Yorktown and the Caron — entered Soviet waters, at a time when Mikhail Gorbachev reportedly was in residence on the Crimean coast.

Soviet officials reacted with rage. They charged that such U.S. saber-rattling was incompatible with recent efforts to improve U.S.-Soviet relations. Significantly, they gave clear warning that any future incursion into Soviet territorial waters would not go unpunished. Neither the Pentagon nor the White House could have considered a decision to repeat the act in 1988 to be "routine."

The claim of innocent passage is not consistent with the circumstances or the purpose of the mission on Feb. 12. Innocent passage requires, among other things, that the route be along a normally traveled sea lane routinely used for safe and efficient navigation.

Moreover, the warships had conspicuously features that were readily identifiable as part of intelligence-collection systems. The United States itself has consistently taken the position that intelligence collection within 12 miles of a foreign coast is not permitted. In the case of the Pueblo, the United States argued that the North Koreans committed a crime in 1968 when they captured that ship outside the 12-mile limit, although capture in-

side 12 miles would have been legal. This U.S. position was reflected later in the 1963 Law of the Sea Treaty.

So the administration's explanation of why U.S. warships entered Soviet waters amounts to a cover story, one that raises important questions: Who authorized the mission? Was it a group of insensitive military authorities who simply laid out a risky adventure without consideration for the consequences because they wanted to show Ivan who is boss?

Not at all. In the normal course of events Black Sea mission plans are developed in the U.S. Naval Headquarters in London. They are submitted to the commander of U.S. forces in Europe, at his Stuttgart headquarters, for review. If approved, they are forwarded to the joint chiefs of staff in the Pentagon. Only after approval by the joint chiefs are they sent to the White House for final authority. This elaborate process proves that no hot-blooded cold warrior decided on his own to test Soviet mettle on Feb. 12.

Somewhere in the White House in January, a small group met to consider the Black Sea plan, along with plans for other sensitive military operations. This group meets regularly to assess the competing interests of the CIA, the State and Defense departments, and other agencies. Given the many viewpoints represented, the INF Treaty surely was a factor in the review of the Black Sea mission.

It is unlikely that anybody short of the Oval Office made the final decision, too much was at stake. But if such decisions are still being made without the president's knowledge, even after the president's knowledge, even after the Iran-contra affair, that may be the most troubling aspect of the story.

Congress should ask some tough questions: Who made the final decision to produce a showdown in Soviet waters? Did the president know and approve? Was he willing to jeopardize the INF Treaty and obstruct progress with the Soviet Union? Answers to these questions will tell us much about who is really in charge of the policy of the United States.

The writer is a retired U.S. navy rear admiral and deputy director of the Center for Defense Information. He contributed this to The Washington Post.

Boat People Are Dying Once Again

By Robert P. DeVecchi

NEW YORK — Headlines like "Vietnamese Boat People Pushed Back to Sea" and "Refugee Boat Rammied and Sunk — Many Feared Drowned" recall the tragic flood of refugees out of Vietnam in the late 1970s. Unfortunately, the problem has again become critical.

On Jan. 29, Thailand effectively closed its eastern coast to Vietnamese boat people. They usually flee Vietnam by traveling overland through Cambodia and from there by boat to Thailand. But boats intercepted on the high seas are forced back into international waters. Others that have reached land have been pushed back to sea, their human cargo cast adrift or dumped near uninhabited islands. Those who can swim make it to shore; those who cannot, drown.

No one knows how many lives have been lost or how many refugees are scattered about on the islands. But an educated guess for each category would be in the thousands. In the last year, the number of Vietnamese refugees seeking freedom in Thailand has increased dramatically. In 1986, the total was 3,885; a year later, that figure had jumped to 11,195.

The Thai government has borne the brunt of the Indochinese refugee flow since 1975. Meanwhile, the commitment by Western countries to admit and resettle the refugees has dwindled. Rumors have been circulating that many thousands more refugees are in Cambodia, planning to make the perilous journey.

The Thai response has been harsh: Instead of the boats, push back the refugees, seal the coastline, keep them out at all costs, send a stern warning to those who plan to follow.

The causes of this tragedy lie squarely in Vietnam. Twelve years after hostilities ended in that devastated land, thousands of Vietnamese continue to risk their lives for freedom. Until the Vietnamese authorities are willing or able to improve conditions in their homeland, refugees will seek any means to escape.

This organized movement of refugees — from Vietnam through Vietnamese-occupied Cambodia and on to Thailand — undoubtedly operates at least with the tacit knowledge of Vietnamese officials. Trade in refugees and remittances to relatives of those refugees who have made it to the West are among Vietnam's chief sources of hard currency.

The free world should condemn Thailand's harsh actions. But condemnation is the easy part. More difficult is the search for a way to respond to this problem without further loss of life.

The South China Sea is already the graveyard of countless thousands of Vietnamese refugees, whose bleached bones litter the sea bed along with the hulls of their flimsy boats. For them, condemnation is too late. For the living, there must be a creative response.

Several elements should be part of any coordinated response: An immediate halt to all interdictions at sea; emergency technology to bring food, water, medicine and clothing for refugees on isolated islands and beaches off the Thai coast; establishment of a refugee camp or holding center in Thailand, under the auspices of the United Nations High Commissioner for Refugees, and an urgent appeal to Hanoi to cease its direct or indirect participation in human trafficking and to work toward creating a society in which its citizens would be willing to live.

Consultations should begin among the members of the Association of South East Asian Nations to continue providing first asylum to these refugees. The major resettlement countries — the United States, Canada, Australia, France, Britain — should agree upon a coordinated approach, giving priority to those refugees who have been in camps the longest. Finally, Vietnam should expand existing programs that permit those who wish to leave the country to do so openly and without restriction.

This year, America will accept up to 8,500 refugees directly from Vietnam under the Orderly Departure Program. Meantime, the U.S. Embassy in Bangkok, where the program is administered, has on file the names of more than 500,000 potential applicants. It would take more than 60 years at present rates to resettle them.

Before any other steps are taken, civilized people everywhere must make an urgent plea to Thai officials: "Don't let them drown."

The writer is executive director of the International Rescue Committee. He contributed this comment to The New York Times.

100, 75 AND 50 YEARS AGO

1888: Alpine Tragedy

VIENNA — An Alpine tragedy is reported from the Schafberg, in Upper Austria, at the summit of which, three thousand and ninety-five metres above the level of the sea, two servants were left in charge of an empty hotel. Eight days ago three flags were seen to be hoisted on the hotel as a signal for help, but nobody attempted the ascent and the men were left to their fate. Two days ago a black flag was hoisted. Much indignation is expressed at the cowardice of the local Alpine clubs.

1913: Romanoff's 300th

ST. PETERSBURG — A salute of 21 guns this morning [March 6] from the walls of the fortress of St. Peter and St. Paul announced the beginning of today's ceremonies in connection with the Romanoff Tercentenary. When the Imperial procession set out from the Winter Palace for the Kazan Cathedral a storm of cheers broke out

from the waiting crowds and the demonstration was continued until the members of the Imperial family entered the cathedral. The prayers for the Imperial family were followed by the firing of an artillery salute and the ringing of bells. The Imperial family returned to the Winter Palace amid renewed cheers. The whole city is decorated, and the streets are thronged with holiday-makers.

1938: Franco Loses Ship

BARCELONA — General Francisco Franco's crack cruiser Baleares was sinking in flames tonight [March 6] 70 miles off Cape Palos after it had been struck just before dawn by torpedoes from loyalist vessels. More than 100 of the crew of 765 were rescued by the British cruisers Kempenfelt and Boreas as the 10,000-ton cruiser wallowed helplessly, practically broken in two. Don Indalecio Prieto, loyalist War Minister, said that the battle marked the beginning of a naval war against Franco.

Seven... Splendid

Boat People Are Dying Once Again

By Robert P. DeVos

NEW YORK — Hundreds of boat people have been pushed back to sea and feared drowned since the late 1970s. The problem has again become acute. On Jan. 29, Thailand closed its eastern coast to boat people. The usual route by traveling around Cambodia and from there to Thailand. But boat people on the high seas are faced by international waters. Others have reached land but been back to sea. They must be admitted or dumped near remote islands. Those who are sent to shore, they are not allowed to stay. No one knows how many have been lost. Some are scattered all over the sea. But an estimated 500,000 are on the way. The last year, the number of boat refugees seeking freedom in land has increased dramatically. In 1986, the number was 100,000. That figure had jumped to 1.5 million by the end of the year. The Thai government has a flow since 1975. Moreover, the situation in Vietnam is not and will not be significantly improved. Refugees are in Cambodia, and they are making the perilous journey.

the B...



PHOTO: BOB KRIST

Seven Hundred Splendid Islands

There is a breed of continent-bound person who longs for an island. A Bahá'í, or, in this case an Eleuthera, a strip of pineapple covered land in The Bahamas, 100 miles long and two miles wide, that is named for the Greek "god of freedom." Since October 12, 1492, when Christopher Columbus made his first great leap for mankind by setting foot on San Salvador, one of the 700 islands of this archipelagic nation of The Bahamas, island aficionados have been discovering their own special islands of The Bahamas. These aficionados of travel are in perpetual pursuit of that one moment of perfection in that incomparable spot, on that one island, that one time of day when colors slip by micro-second to new hues like an impressionist painting in motion; that sunrise when, like a Hindu at ablutions, you are finally alone with the universe. This island, like any number of the 24 inhabited and 680 uninhabited islands of The Bahamas, is just such a precious place in time, and it is so not merely because of its thrilling beauty and sense of remoteness. It is also very special because it is part of a country and culture that has made a high art out of extending hospitality to the three million world weary travelers who come here for rejuvenation every year. This particular island, Eleuthera, was settled in fact by American colonial loyalists to the English crown who were fleeing reprisals after the American revolution. Their settlements are the oldest in The Bahamas, and they are still almost entirely populated by the descendants of the original families...the Finders and the Alburs and the Bethels and the Lowes. They built towns in Eleuthera and other islands, on Spanish Wells and Harbor Island, in Marsh Harbor on Abaco and on Green Turtle Cay, that are towns of pastel shingle houses, white picket fences, simple country churches and harbors from which the old shipwrights supplied a good portion of the United States' schooners in the 19th century. It has taken several days to arrive at this little outpost of history. Like most of the Cays that dot the 100,000 sq. miles of The Bahamas, it is a part of The Bahamas only a fraction of tourists see. The large majority of visitors spend their entire vacation in Nassau. Pumping over \$1 billion into the thriving economy, they have made The Bahamas the number one tourist destination in the Caribbean. They come to Nassau for the sophistication of elegant resorts, tantalizing shopping, unique cuisine in glamorous restaurants, casinos, discos, sports; indeed, a resplendent cornucopia of activity and pleasure.

two-week mail boat excursion aside), is to board Chalk's Sea plane from a little airport shed in the mammoth Port of Miami. The 25 passenger seaplane takes off for Nassau like a flock of Siberian geese, splashed by a torrent of water to hover for 45 minutes over the "baja mar," or shallow sea. Christopher Columbus' description of the hundreds of miles of transparent water and reefs from which The Bahamas derives its name. One's Impressions of Nassau are in some ways a result of the particular hotel one happens to choose. Here tourism is big business and this is reflected in the megahotel resorts that cater to the influx of pleasure seekers. It is significant to realize that the annual number of tourists to The Bahamas is 12 times greater than the 250,000 population and that 6 out of every ten jobs are related to tourism. At the same time, this is an architecturally exquisite, highly historical capital city that also spends much of its workaday energy in the offshore banking industry. Downtown Nassau bustles away quite apart from the almost mind boggling dimensions of the tourist phenomenon. Also this is a port city where enormous cruise ships float in the harbor like bloated gulls, and all manner of fishing boats and freighters discharge the food and products that must be imported to feed the visitor swollen population. The most Bahamian hotel, and thus a favorite of cognoscenti, is the pink hued Royal Bahamian. Full of architectural references to stately Georgian plantation houses, the Royal Bahamian, which is owned by the Government and managed by the Texas based Wyndham Hotels, is everything one can ask for in pampering and luxury. The hotel is built around two courtyards full of tropical plants and a marble fountain. Beyond the archways several villa type accommodations, some with private pools, patios and balconies, increase the hotel's sense of intimacy and privacy. High tea is served every afternoon in the residents' lounge which occupies the spacious ground floor of the manor house; fashion shows and exotic drinks are served up poolside; excursion picnics to a small offshore cay begin every day from the wide private beach; excellent tennis instruction is offered by George McPhee, the resident pro, and every whim is satisfied by the ever present concierge who takes on the importance of a personal secretary at her busy little desk in the intimate entrance foyer. This is the kind of hotel where guests dress for the evening to dine at the numerous haute cuisine restaurants of Nassau including the Royal Bahamian's own Bacarrat. It is a hotel full of a sense of exclusivity yet full of guests that seem to be busy from morning to next morning, whether at the health spa, lazing at the beach or very likely down the road by limousine or shuttle bus to the superlative pleasure palace, the Cable Beach Resort and Casino, also managed by Wyndham. To lovers of modern efficiency, the Cable Beach Hotel is that rare find: a huge resort that has still managed to preserve an intimate relationship with its exquisite natural surroundings. Sky and water pour into the Cable Beach at every angle of

its totally glass lobby, rooms, restaurants, gardens, pool and patio. Each room seems a private introduction to the elements with its miraculously skillful architecture allowing unobstructed views everywhere. This is a hotel whose management spends \$1.1 million a year just making repairs. The constant shining, polishing, refurbishing of carpets and wallpaper all contribute to a brand-new, just opened feeling. As if it were not enough to have 700 rooms including 32 ultra luxurious suites, three pools attached to a winding swimmable fresh-water lagoon, four restaurants, a staff that is told that "guests like to be coddled," 10 lighted tennis courts, a sports center with racquetball, squash,

House restaurant which joins Nassau's handful of truly top rated dining establishments. Most impressive is the chef who most recently presided over Grosvenor House in London, and the restaurant manager who once worked for Lord Forte as his personal assistant.

DINING

Friisham House still has a way to go to rival some of Nassau's well established restaurants, the crowning glory of which is the Graycliff. Housed in a manorhouse, the Graycliff is a member of "Relais et Chateaux." Once the frequent dining spot of the Duke and Duchess of Windsor when

to be, with a profusion of julienne vegetables perfuming the table as the paper cocoon is slit to reveal its sensuous offering. The wine list is extensive and contains many rare treasures as well as a thoughtful selection of the most dazzling new labels from California.

Several other restaurants in manor houses set the style for Nassau dining. The Buena Vista is similar to the Graycliff, without its sense of history and established grace, while the Sun And... is a newer version with dining on its open air patio. The Café Martinique on Paradise Island is ultra formal with white-gloved waiters in persistent pursuit of every little whim, particularly the piece de resistance dessert soufflé which you must order before hors d'oeuvres so that it can be specifically and lovingly prepared.

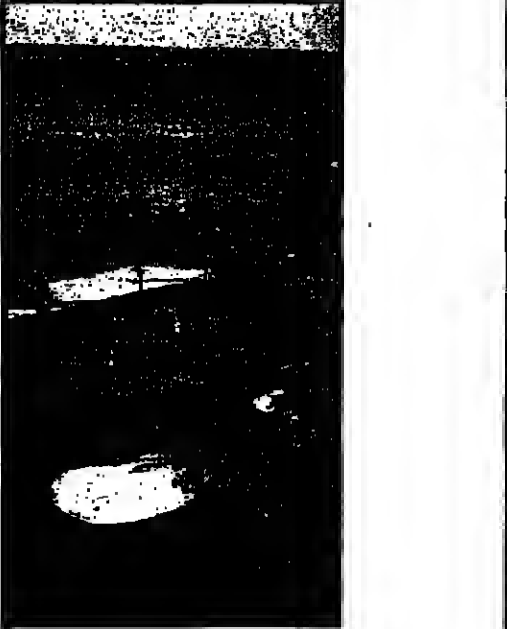
No visit to Nassau should omit a sampling of native Bahamian food. By and large Bahamian food will and should always include conch. There is spicy conch chowder, crisp marinated conch salad, cracked conch, conch fritters and probably a lot of conch dishes still to be discovered. The second big find is grouper, a meaty, bright white



nautilus, aerobics, an 18 hole golf course that is framed by the U.S. Ambassador's Georgian residence, and water sports that include catamarans, parasailing (that is, flying behind a speedboat in a parachute harness), waterbikes, jet skis, banana boats, tubies, sunfish, windsurfing and snorkeling...the Cable Beach Hotel, which stands at the helm of the three mile long strip of Cable Beach resort hotels, also boasts the Cable Beach Casino which has 10,000 feet of gaming tables. Adjacent to the Casino, The Crystal Palace, the largest, most expensive resort in the Caribbean, is under construction and its first of three towers will be open by December 1988. Everything one can say about the Cable Beach appears to be reincarnated in the Crystal Palace, where even the beach will be widened by 100 feet to accommodate the increase in pleasure seekers. Beyond the Cable Beach Hotel and Crystal Palace some of the older, most traditional and well loved Nassau hotels have had refurbishings in the last two or three years and are proud players in the increasingly popular Cable Beach area. In particular, the Nassau Beach Hotel, owned and managed by Trusthouse Forte, is a favorite with Europeans and tries to maintain a Mediterranean ambience, with two elegant restaurants and a hot disco where a native band plays the most sensuous reggae and calypso. The 28 suites, and especially the two penthouse suites, are a great attraction to corporate executive meetings.



he was Governor of The Bahamas shortly after his abdication, the Graycliff is also in a gracious homelike setting, with antique filled salons where guests sip pre-dinner flutes of champagne or retire for a digestif with the very friendly owners. But nothing superlative would be said about the Graycliff if the cuisine were not as fine as any found in the Caribbean and well beyond. Such specialties as grouper en papillote are as delicate as ever a dish of fresh poached seafood was meant



fish that is always sweet and incredibly fresh, as grouper is caught and bought at market on a daily basis. Grilled grouper is so fine, it needs nothing but itself.

Particularly wonderful are the fish consumed at a "typical" Bahamian breakfast. They include bull fish and stew fish. This is a sweet white "jack fish" simmered and served in a subtly aromatic broth and accompanied by johnny cakes (a bread as sweet as cake) or rice and peas, the true Bahamian staple.

Restaurants that serve Bahamian food abound in Nassau, and even more so on the Family Islands. An especially delightful spot is Captain Nemo's, set at the breeze blown edge of a wharf in Nassau's harbor. Favored by local businessmen and tourists alike, Captain Nemo's regularly presents stew fish, boiled fish, cracked conch as well as interesting specialties.

PARADISE ISLAND

Across a well trafficked bridge from Nassau is the tiny cay of mammoth resorts, known since its rechristening in 1959 as Paradise Island. Paradise Island is a phenomenon in tourism annals.

YEARS AGO

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ern side of the Atlantic were going to Europe for good buys. Now we're in 1988 and we're back to the 1970-71 situation where European currencies have appreciated maybe an average of 40 to 45% against the dollar, so I think we can again see increasing numbers of Europeans coming our way.

Q. Europe is also a market for prospective investors. Is that also increasingly the case?

A. Yes, though there has not been a great deal of European investment over the last decade, largely because of the factors I just mentioned. But again, in the late sixties and early seventies, the volume of German investment increased, and particularly in north Long Island and also here in New Providence there are an increasing number of queries again. So I should think that the level of European investment in general and German investment in particular will accordingly increase.

Q. Tourism in Nassau and Freeport is highly developed. Where do you see growth?

A. Besides those two areas which will grow further, we are targeting Abaco, Andros, Eleuthera and Exuma as the next areas for extensive touristic development. We are busy putting in the necessary infrastructure now, the two main ones being jet airports that can accommodate long range aircraft, and deep water harbors that can accommodate cruise ships.

Q. Government tourism organizations always seem to have the problem of what to do first, to attract hotels or to attract air service, but in The Bahamas there seems to be a great deal of balance in that respect. You seem to have had many new airlines servicing but not overservicing your destination.

A. We've never had a situation of overservicing. I think we've always been underserved, and being underserved was the factor that led to the establishment of Bahamasair. Our experience in tourism over the years has shown that you have to try and stay ahead of the game and anticipate what the traveling public might want. We know that we have to open the doors to new areas ourselves. In order to do that the Hotel Corporation of The Bahamas was established. It is an agency that will pioneer the development of new destinations within The Bahamas, and will be starting on resort facilities in the islands that I mentioned, this year and next year. That in itself will perk up the appetite of private developers who will want to follow suit, but we have to show confidence in it ourselves first.

Q. The other area of development policy concerns the diversification of industry. A. Yes. We haven't done nearly as well as we thought. It has been more difficult than we expected to convince people who had been accustomed to purely a mercantile existence, rather than a production one that the benefits from diversification could be as lucrative as they found them in being in just running shops.

There are signs that we are breaking through, as evidenced by the fact that gradually more and more people are looking to the production side, making things here that can be sold either directly to the tourist or to be used in the resort industry.

Q. Is diversification then mainly aimed at Bahamian investors?

A. Primarily, but not limited to. The objective is to keep more of the tourist expenditure in The Bahamas. At the moment perhaps 75 cents of every dollar spent is spent in the United States to buy some of those very same things I've been talking about. Fruit and vegetables and fish products are used every day in hotels and restaurants yet we are still importing a considerable portion of them. A greater proportion could be produced locally.

Q. The tourism industry should be a very profitable market for the foreign investor.

A. Oh yes. They may enter that market directly or with a local joint venture partner. It doesn't matter. But this market is there for exploitation.

Q. Are there any special

and I think that by and large that is the way it will be going.

Q. There was recently a heads of state meeting which you attended regarding Haiti. How was the region able to affect the situation in Haiti?

A. It was not able to affect the situation in Haiti, but after

because the crash would have caused considerable movement and adjustments, not only in the United States, but on the global scene as well. And since the industry here works on a global basis, I would not expect to feel too many ill effects. Many U.S.

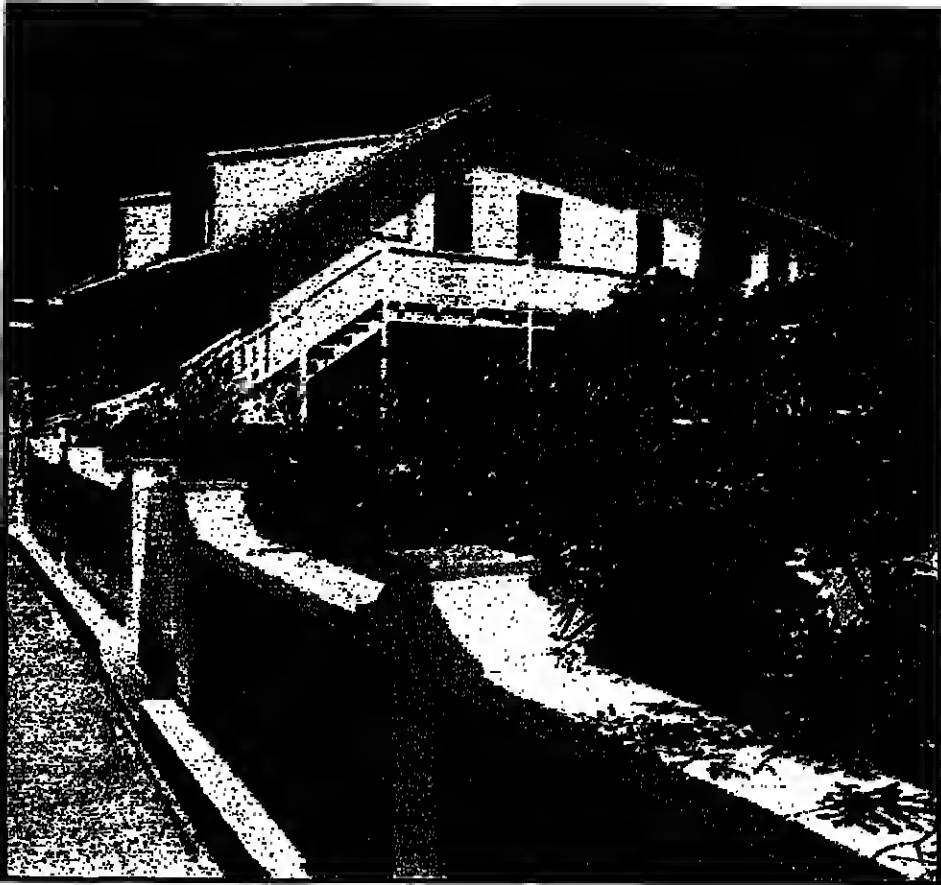
Q. You mentioned the strides of the population becoming middle class in one generation. The one aspect of that question that you did not address is the policy of Bahamianization. What that policy is seems self explanatory, but how have you implemented the policy and how has it progressed?

A. It has progressed reasonably well. I am still not completely satisfied with the results of it, but I'm told I want too much too soon. There is still some way to go. We have done well so far, up to middle management. We now have to pay some more attention in top management. Because over the last thirty years since we started to set our sights on these things, we have been steadily developing the business, managerial and accounting skills that would put us in good stead to man these top posts.

My role at the moment would be to prod companies, to move more and more Bahamians into top management. And as a corollary to that, (there are two sides to this picture) as I have to prod companies into that position, I also have to prod Bahamians to move on, because often a person has to move where he is sent. He cannot expect to become a top manager here and out go to London or Paris or New York or Mexico City as the case may be, but Bahamians don't like leaving home. I tell them, if you don't think you want to travel you'll stay number two.

Q. You said that you expect to be a first world nation by the turn of the century.

A. I said I would like to convert The Bahamas from a third world country into a first world country. We are still developing (although we have



incentives for European investors?

A. Not special to the European vis a vis anyone else, but there are incentives to the investor generally. Those would be the standard ones... standard here, of exemptions from income tax, and capital gains tax, and from customs duties on imported raw materials for production for a specified number of years under the Industries Encouragement Act, and other similar Acts designed to encourage the development of local industry.

Q. What about the benefits of the Lome? Is that greatly beneficial to European investors?

A. Under Lome there is access to markets in European countries and under the CBI there is access to the American market which is another area that might be of interest to the European investor.

Q. You were not favorably impressed with the CBI.

A. I'm still not.

Q. But it does attract investors?

A. We have been able to attract additional investment in some areas that were already ongoing, and that was in the pharmaceutical industry. One good example is the Syntex corporation. In order to benefit from the CBI provisions they expanded their operations in Grand Bahama, pulling some processes that they had in other locations into their Grand Bahama operation, and they will be sending more of its products into the United States itself rather than to some other countries abroad.

Q. As to your role in the region, how do you characterize the voice of The Bahamas? Is it conservative or moderating? Where do you stand relative to the other countries of these organizations?

A. You know that is a difficult question to answer. The voice of The Bahamas in Caricom's economic affairs has been one designed to push the Caribbean away from the economic formula that they have been following for the last 25 to 30 years. That was over protection of local industries and not enough emphasis being paid to production-for-export industries. Hence they were chronically short of foreign exchange with which to pay their import bills. So our voice has been trying to judge them more and more to production for export. We saw that as the fastest means by which the standard of living of their people might be increased and might also increase the speed of the flow of technology. Gradually there has been movement in that direction.

saying that I must say I didn't ever think it would be in a position to do so. It is presumptuous to think that we might have been able to drastically affect the situation in Haiti when we didn't have the power, the real power to do anything about it. We arrived at a consensus reestablishing what we thought were some democratic guidelines that Haiti might follow, but having regard to her history, we realized it would have been difficult for her to do so since nobody there has had any experience in managing a democratic system and these things don't just happen overnight. Even if they had put everything in place, there wouldn't have been anyone who would have known how to make it function.

Q. On another subject. The banking industry is your second largest industry. Can you describe the impact of banking as you did with tourism, on the entire economy?

A. Banking has been the means by which we have been able to provide for our educated population. Whereas in many countries there was a substantial brain drain, because of banking and other associated financial service industries we have been able to avoid that, as banking has created a large number of jobs for our college educated people. Banking has provided in a single geographical considerable upward mobility for the population. And I think it is probably true to say that because of banking we have the fastest growing middle class outside of the United States and Canada. In proportion to our population, I would say our middle class is comparable to that in the United States.

And it is actually probably growing faster than in the United States at the moment. They have difficulty reaching the bottom of their scale and we think we have great possibilities to reach the bottom of our economic scale. We feel there is still room for upward mobility, and we are moving up very, very rapidly.

Q. So would you describe the economy of The Bahamas as being in a boom situation?

A. We are booming at the moment. Construction is booming. I hesitate, however, because I am still waiting to see what will happen to tourism in 1988 having regard to what happened in October last year. But at the moment I would say that we are booming. I hope I can still say that in 1989.

Q. What then has been the effect of the October crash on your banking industry?

A. We would probably benefit to some extent

multinational corporations use The Bahamas not for tax advantages, but as a hedge against global currency upsets. Now a large number of foreign banks are handling transactions for their clients in The Bahamas, and there is new interest from banks in Japan.

Q. Do you consider growth in the banking industry an important objective?

A. I am putting together at this moment a new plan for the promotion of The Bahamas as a banking center to meet the needs of industry by the 1990's. There have been interesting changes in the kinds of business and the kinds of instruments now being created to deal with the speed of global transactions and the level of communications. We will be looking at the updating of our companies laws, partnership laws, insurance laws.

We too have to operate from a global point of view now that 24 hour trading is a reality. The crash itself won't affect international trading. The fax machines never stop and time differences between Tokyo and London are meaningless.

We also have to take into account developments in the United States regarding insider trading. We have to make provision for a new creature called limited partnership. We have to do a redo, really, including our laws affecting commerce and trade, and I am hoping to have a package by the middle of the year.

Q. A major new industry for The Bahamas is transportation, including ship registry. What is the nature of this industry?

A. Ship registry has done well. By now we have registered well over six million tons, and we're planning another trip to Japan, Hong Kong and other spots by spring in this regard. We have been promoting this business in North America as well. A number of cruise lines have registered here such as Norwegian Caribbean, Cunard, Windstar, etc.

Q. To what do you attribute your sudden growth?

A. Well, it is sudden, because it has all happened in the last five years, and we have been adding at least a million tons a year since we started. I think this is largely attributable to the political stability of The Bahamas and the relative political instability of Liberia and Panama which were the two leaders in the field before. We've attracted considerable tonnage from both places. One still doesn't know what is going to happen in Liberia and Panama. So we think that we will increase by another 3 million tons over the next two or three years.

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first world tastes). The World Bank still characterizes us as such, because institutions are still developing in the country and funding for development still has largely to come from outside. We haven't financial strength yet in fund all our requirements within the country. Our top management and consultant services still cannot be supplied from within the country itself. Those are some of the factors I consider important, so that when we are looking for consultants we can look within, rather than out...bearing in mind, of course, that in a

country this small we will never be able to find all the expertise we need right here. If we are going to stay ahead, keep ahead, we must stay in contact with the global scene and the cross fertilization that transfer of technology means.

Q. In conclusion, how do you put all the facets together to describe The Bahamas as an attractive and profitable investment location?

A. I think it's a combination of a whole set of circumstances. Geographically our proximity to North America gave us the primary advantage in tourism. It's still the nearest

and cheapest place to get to, especially when fuel is expensive. Historically we have a political system that is over a quarter of a century old and has been uninterrupted during the whole of that time, so stability is a factor. Thirdly, we have an ambitious, reasonably well educated population who believe they can do anything given the chance. They'll try anyway. And when you put it all in one place, that's where we are now, still trying to do the best we can with the little we've got.

Investment Is Turning Sand Dollars Into Paper Dollars

With over three million tourists yielding over \$1 billion a year since 1986, The Bahamas clearly has a boom economy, something that has escaped most countries that can also be described as developing, recently independent nations. This boom is most vividly demonstrated by the extraordinary construction taking place over

States and Canada. Most important, The Bahamas boom can be seen in the upward mobility of the population, which has developed in a well educated, skilled and managerial middle class within the span of a single generation.

The tourism dollars that have fueled the economy have not been allowed to languish in easy money investment. On the contrary, a soundly conser-

New Investment Opportunities In Hotel Development

It is significant that the portfolio of the Deputy Prime Minister, Clement Maynard, includes both Foreign Affairs and the Ministry of Tourism. The Prime Minister, who is the Minister of Finance, is also Chairman of the autonomous hotel corporation which not only owns several major properties but is also aggressively planning for a new phase of investment growth. This concentration of interest at the highest level of government is only one indication of the priority of profitable new tourism development.

Furthermore, the dynamic Director General of Tourism, Baltho Bethel, was appointed in January to the position of Chief Executive Officer of the well financed Hotel Corporation, where doubtless his promotional and developmental skills will speed new development as they spurred tourism's growth over the last ten years. The new growth focuses on the Family Islands which according to comprehensive market segmentation research conform to all the requisites of today's consumer.

"We will be integrating the promotional activities of tourism and development," said Mr. Bethel. "Much of the market research we have been conducting is relevant to the directions we will take in our promotion of increased hotel development. For example, we have the existing surveys of guests' comments which ensures us of developing the kinds of hotels, services and activities the consumer wishes.

"The direction we see emerging is that the consumer wants a variety of choices. Also, in order to build a resilient and relatively recession-proof industry, we have to cater to an international clientele, which further diversifies the products we need to develop.

"One segment of the market prefers large luxury hotels, but another significant segment prefers small, intimate

hotels. To some, price is completely unimportant, while to others price matters to a degree, although it remains secondary to quality.

One priority is the Hotel Corporation's mandate to develop the Family Islands and in so doing not only facilitate the expansion of resort facilities, but also to put in place air and cruise service and transportation infrastructure.

Working with a master plan developed by the multinational Bechtel Corporation, the Ministry of Tourism and Hotel Corporation have highly detailed blueprints of projects for hotel complexes, marinas, transportation infrastructure, cruise ship berths and theme park attractions.

"Our long term expectation is to double the number of hotel rooms within the next ten years," said Deputy Prime Minister and Minister of Tourism Clement Maynard. "These will probably be located in Grand Bahama, Eleuthera, Abaco, Andros, Exuma and some of the other islands, with some growth in Nassau."

"In the area of the Caribbean we are already the largest tourist destination at the moment. Outside the Caribbean, while we don't have as many visitors as Mexico which is contiguous to the United States, nor as many as Hawaii, we compete relatively well with all other sun destinations worldwide."

Tourism is of course the major segment of The Bahamas economy. It accounts for some two-thirds of the gross national product. It also provides more than half of the Government's revenue, and it accounts for more than 60% of all jobs directly and indirectly.

"We reached the billion dollar mark of tourism expenditure in 1986," said Minister Maynard. "We are hoping in the next five years to reach the \$2 billion mark, if all goes well. We expect this to be partially the result of increased occupancy but more so the result of increased expenditure due to new tourist attractions and improved shopping. Another shift in tourism



the past few years both in the capital of Nassau and in Freeport and more recently in several of the 22 other inhabited islands of The Bahamian archipelago.

It is also visible in the annual growth rate of the country's gross national product, in the high level of employment and per capita income which Prime Minister Pindling confirmed as the third highest in the Western hemisphere after the United

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planning is towards the European market. According to Minister Maynard, Europe has been The Bahamas' third most important market, after the United States and Canada. But with currencies once again strong, a larger percentage of the Ministry's promotional budget will go to the European market.

"In the area of investment promotion, we are looking for investors to do two things," said Minister Maynard. "To invest in facilities here in New Providence and in the Family Islands as well. One very successful venture here has been the Club Mediterranée. Both their properties, in New Providence and Eleuthera, are prospering. They are doing complete renovations on Paradise Island, and we are hoping they will be interested in a third. If we had our choice it would be in San Salvador in time for the Quincentennial celebrations."

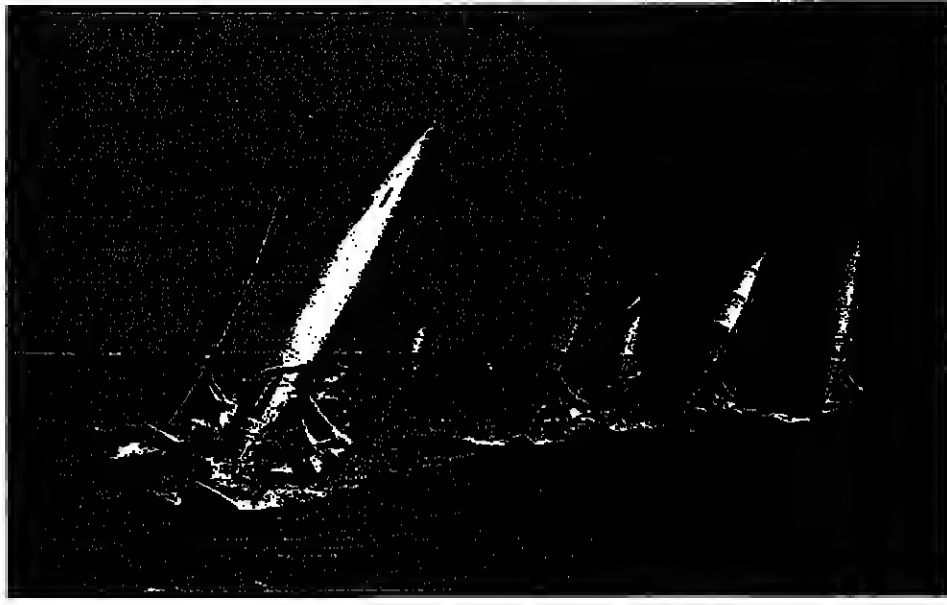
The 1992 celebrations, in fact, are a watershed target with many promotional projects already in the works and coming up to a crescendo in time for the Columbus anniversary. These include receiving the Niña, the Pinta and the Santa María, which are already under construction and will sail from Spain to San Salvador.

To attract investment, several incentives have been enacted by the Government. These include:

- duty free importation of raw materials and machinery needed for construction, furnishing and supplying new hotels.
- no real property tax
- no income tax
- no capital gains tax
- for those who wish to build in the Family Islands there is legislation pending for special kinds of incentives and encouragements.
- the Ministry of Tourism, as the marketing arm, will be concentrating its very sophisticated public relations and advertising campaigns on the Family Islands, lending support in new investment there.

Manufacturers Find A Lucrative Market In Tourism

A younger sibling of the billion dollar tourism industry has emerged in the last several years. This is the promotion and growth of tourism related manufacturing. Coming under the auspices of the Ministry of Trade & Industry, the policy to promote manu-



facturing has two objectives. These are diversification of the economy as a hedge against any possible pitfalls of too great a reliance on a single industry; and also a means of import substitution.

It is the latter objective that has begun to attract new investment from abroad. One situation which illustrates the attractiveness of manufacturing as import substitution is that of The Bahamas Paper Converting Company, Ltd. This joint venture between three New Yorkers and one Bahamian had its origins in a vacation one of the partners took in Nassau a few years ago.

"We noted the prices of several products, but particularly paper products in the supermarket. They were staggering," said John Giagu, one of the partners of the new company that began operations in December 1987. Shortly after this discovery, Mr. Giagu, met with the government investment promotion agency, The Bahamas Agriculture Industrial Corporation (BAIC). They in turn introduced the investor group to a Bahamian, Jude Smith, who had expressed

an interest in a joint venture in paper products and had already invested some \$100,000 in R & D.

With a substantial investment in machinery and raw material that is imported duty free from Wisconsin and Taiwan, the corporation is already producing paper grocery bags that are price competitive with imported products, and are selling them to the City Markets chain, a subsidiary of Florida based Winn Dixie.

The operation is a savings all around, to Winn Dixie, to the investors and ultimately to The Bahamas. Other products coming on line are facial tissue, brand named "Softex," and toilet tissue that are to be supplied initially to the Holiday Inn and the Cable Beach Hotel. Already the company imports six to eight containers of paper rolls per month.

Objectives include manufacture of cocktail napkins with four color printing, place mats, aluminum foil, plastic wrap, calculator paper, cash register paper, and eventually telex and computer paper which will be consumed voraciously by the banks. (Some people say that The Bahamas banking industry has more telexes per capita than any country in the world.)

The company has been given favorable terms on a 36,000 sq. ft. factory in the BAIC-owned and managed industrial park, and The Central Bank is considering guaranteeing a line of credit. Already a second building is under construction and a third is being contemplated.

Ultimately The Bahamas Paper Converting Company expects to employ some 75 workers and several supervisors and managers who will

earn between \$200 and \$300 per week. According to Mr. Giagu, the partners expect their investment to be extraordinarily profitable, not only breaking even by the end of the first year, but going on to success in a market that is tailor made for their product.

"Many such investment opportunities exist," said Mavis Johnson of the BAIC, who is involved in setting up an office in London and organizing a trade mission to Europe by the fall of 1988. "Processed foods, linens, plastic products, industrial soaps, toiletries. The list is incredibly long of products that will easily be absorbed by the rapidly growing hotel market."

Ship Registry Is Gaining

One of the fastest growing industries in The Bahamas is that of ship registry. Currently, The Bahamas Ministry of Transport has registered 670 ships of some 10 million tons. After only a few years, The Bahamas has emerged as number four in the world for "open" or "free flag" registry.

This growth is due to favorable tax policies including lack of corporate income tax. Although registry began as late as 1981, when The Bahamas established their first office in London, the advantages of The Bahamas rapidly began to make inroads into the market.

The Bahamas is already renowned as a banking cen-

ter," said Erma Rahming, a spokeswoman for the Ministry of Transport. "Ship owners like the fact that the ship mortgages, tax accounting, legal processing, etc., can all be done at one bank."

These and other factors have made The Bahamas the fastest growing ship register in the world. Another major contributing factor is the instability in Liberia, Panama and Cyprus, which are the three top registers ahead of The Bahamas. Still other attractions of The Bahamas are:

- Proximity to the United States
- Common law system
- English speaking
- Government stability
- Savings in operating costs for ship owners including no minimum wage requirements, lack of taxation
- Competitive registration fees
- High safety standards

One of the world's largest cruise lines, The Norwegian Caribbean, has registered the majority of its ships in The Bahamas, and five of Cunard's liners are also of Bahamas registry. Although there is no requirement that ship owners form a Bahamian company, many are finding it desirable to do so in order to consolidate their accounting and banking needs under one roof.

This has led the Government to seek to attract companies to set up management facilities in The Bahamas as well. Already one company, the Dockendale Shipping Company, opened management operations in Nassau in 1986.

Offshore Banks and Trusts Stimulate Prosperity

As the second major industry in The Bahamas, banking has played a pivotal role in the country's rapid development. With over 350 banks registered, The Bahamas is not only one of the largest but also one of the most prosperous offshore centers in the world. Nassau is home to subsidiaries of most of the world's major banks from Bank of America to Canadian Imperial Bank of Commerce and Credit Suisse. It is also headquarters to the trust company, NatWest International Trust Corporation, Ltd. (formerly RoyWest) which is the largest, wholly offshore trust company. NatWest International has, under actual discretionary management, investment funds exceeding \$800 million, which represents only a small portion of its total business. That business involves clients who range from private investors to multinational corporations.

According to Prime Minister Pindling, the banking industry, more than the hotel industry, has been responsible for the professionalization of The Bahamas. It is in banking and insurance that a generation of accountants, lawyers, actuaries, bank and trust managers and computer professionals has developed. It is also in banking that the sometimes controversial but highly successful policy of Bahamianization helped thrust The Bahamas work force into the middle and managerial classes.

Now with the reality of globalization and 24 hour trading, The Bahamas role as banking center has begun to expand in directions the industry had hoped it would go; namely towards increased capacity and quality of services rather than mere volume of registered banks. No longer are Bahamian banks mere recipients of passive deposits. Now managed trusts, portfolios and numerous products, particularly mutual funds, are actively handled in Nassau.

Legislation is now underway to sign a limited exchange of information treaty with the United States and also to expand The Bahamian law to accommodate trusts from civil law jurisdictions, particularly Latin America, where trust law is not recognized.

Banking like tourism and light manufacturing is still experiencing growth. Taken together, these industries have created the boom economy which Prime Minister Pindling sees extending into the 1990's. There is hardly a better basis on which to undertake major investments anywhere in the developing world today.

By Linda Shah

the B-a-h-a-m-a-s



SPLendid ISLANDS Continued From Page Two

mango, coconut, sour-orange and palm trees in profusion, but its real claim to fame is its location above one of the most beautiful pink sand beaches in the world.

ABACO

An entirely different personality can be found among the islands and cays that make up Abaco. Also dotted with settlements from Marsh Harbor in the south to Cooperstown in the north, Abaco's most distinctive vacation spot is Treasure Cay. A totally self-contained resort on its own, isolated peninsula, Treasure Cay is a vast complex, seven miles in all, including its own offshore cay, Treasure Island. The resort consists of traditional hotel rooms, 600 privately owned homes, condominiums, villas for rental and timesharing and permeating all, the huge marina that winds its way among 17 miles of canals along the protected shores of the peninsula.

The resort, which is owned and managed by a German corporation, is totally self-sufficient with its own power plant, freight service that delivers food and other goods imported directly from Miami, a shopping mall with grocer, dry cleaner, and bank, several jewelry and clothing shops. There are also numerous tennis courts, a championship golf course, a world class fishing tournament that attracts over 200 boats.

Several resorts modeled after Treasure Cay are being contemplated for several areas on Abaco and other Family Islands as well, but no amount of development will ever encroach upon the fiercely independent settlements that attract another type of tourist who returns year after year, such as Man-O-War Cay, and Green Turtle Cay, a fifteen minute powerboat ride from Treasure Cay.

Green Turtle Cay seems to epitomize much that is Bahamian. The 170 year old New Plymouth

Club and Inn, which has 9 rooms furnished with colonial antiques such as four poster beds with organdy canopies, is a perfect example of the island's ambience. Green Turtle Cay is a town where Barclay's Bank's hours are listed as Thursday 10:00 to 1:00, and the ladies stroll to church on Sunday in their pillbox hats and patent leather shoes. Here also are bits of history: the old jail beside the cemetery; the bronze busts in the memorial garden honoring the old American loyalists and their descendants...green tinted for white Bahamians and bronze tinted for black Bahamians. Down the road is the inimitable Blue Bee Bar, the real thing, where owner Miss Emily invented and has served thousands of Bahama Mamas, the popular pineapple flavored rum drink, but has never tasted one herself because she is a devout Christian.

At the same time, one of the many coves and inlets is home of the Green Turtle Cay Club, according to its guests one of the most exclusive yachts clubs in the world.

During Christmas there were Governors from three American states, and a host of other celebrities who generally prefer not to be known. They all gather in the memorabilia-stuffed bar to drink the local club's specialty rum drink, the Tipsey Turtle. The bar's ceiling is a clutter of burgees (yacht flags) as well as pound notes and dollar bills pasted to the walls by hundreds of guests over the years in a tradition that sums up the universal feeling of visitors to Creeo Turtle Cay, or Harbor Island, or Windermere, or Nassau itself. Originally the Green Turtle Resort and Cottage Colony catered primarily to pleasure pilots, many of whom had been RAF pilots during the Second World War. It was an RAF tradition to paste a pound note to the wall of a pub before a flight with the saying, "If I don't come back, buy a drink for me." Guests have continued this tradition to this day, and with good reason. Once having visited The Bahamas, even some small part of it, most people long to return.

IMAGINE

Imagine yourself floating. Aimlessly adrift on the clearest waters in the world. Surrounded by the exotic beauty of the Bahamas. Imagine seven hundred islands, all different, each with a feel and personality of its own. Now stop imagining. Lift a pen and start writing. You're almost there.

Please send to: The Bahamas Tourist Office
Name _____
Address _____

BAHAMAS
It's Better In The Bahamas

Bahamas Tourist Office, 111 Chesterfield Street, London W1R 6EJ. Tel: 01-455 5216.

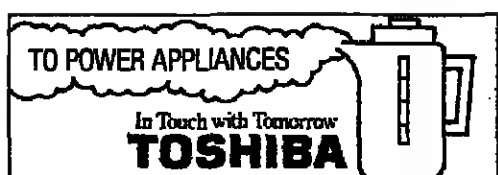
EUROBOND

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Last Week's M



FROM THERMAL POWER MONDAY, MARCH 7, 1988

EUROBONDS In U.S. Trade Scenario, Jobs Are Now the Villain

By CARL GEWIRTZ International Herald Tribune PARIS — "It's like watching a taxi meter in reverse," said a startled Eurobond trader on Friday, shortly after news that U.S. employment surged last month...

Standard Chartered Shake-Up

Chief's Departure Points to Big Loss

By Warren Getler International Herald Tribune LONDON — Standard Chartered PLC, a bank heavily exposed to shaky Third World loans, has announced the departure of its chief executive...

Rover: The British Solution



The Land Rover production line in Solihull, England.

Purchasers Say Growth of U.S. Economy Slows

The Associated Press NEW YORK — The economy's growth slowed in February, although exporters continued to show strength, U.S. purchasing managers said in a report Monday...

The surge in employment dampened hopes for a slowdown in import demand.

The slowdown was to be a welcome event. Reducing U.S. import demand and liberating a greater share of domestic production for export would reduce the U.S. trade deficit...

Fed's Intervention Hit 8-Year High in Quarter

New York Times Service NEW YORK — The Federal Reserve and the Treasury Department bought more dollars in the open foreign exchange market in the three months ended Jan. 31 than they had for a year...

Greenspan Meets Pöhl in Germany

By Ferdinand Proitzman International Herald Tribune FRANKFURT — Alan Greenspan, the chairman of the Federal Reserve Board, held unexpected weekend talks near here on financial and monetary matters with Karl Otto Pöhl, the president of the Bundesbank...

Morgan and Treasury Are Criticized Over Mexico Debt Plan

By Robert A. Bennett New York Times Service NEW YORK — A number of bankers have expressed criticism of Morgan Guaranty Trust Co. and the U.S. Treasury over the meager results of a plan to swap part of Mexico's foreign debt for bonds...

Currency Rates

Table with columns for Currency, Par \$, and various exchange rates for major currencies like the British pound, Japanese yen, and West German mark.

Forward Rates

Table showing forward rates for various currencies, including the British pound, West German mark, and Swiss franc.

Other Dollar Values

Table listing other dollar values for various currencies and commodities, such as the Australian dollar and the Hong Kong dollar.

Last Week's Markets

Table showing market performance for various indices like the Dow Jones Industrial Average, S&P 500, and Nikkei 225, along with money market rates.

Some bankers assailed David C. Mulford, assistant Treasury secretary, saying he pressed banks to participate in the Mexican debt swap.

A number of leading bankers that Mulford jumped on this bandwagon, said a New York banker who did not want to be identified. "Why should the banks forgive the debt on a unilateral basis?"

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Advertisement for Elfo Hansson, an international trading house, listing its subsidiaries in various global cities and providing contact information.

Weekly International Bond Prices

Provided by Credit Suisse First Boston Securities, London, Tel.: 01 323 11 30
Prices may vary according to market conditions and other factors.

Dollar Straights

Issuer	Con	Mat	Price	Yld	Sad
Aust Com Bk	12	9/1	102.75	8.15	+58
Aust Gov Bk	11	9/1	102.75	8.15	+58
Aust Gov Bk	11	9/1	102.75	8.15	+58
Aust Gov Bk	11	9/1	102.75	8.15	+58
Aust Gov Bk	11	9/1	102.75	8.15	+58

Japan

Issuer	Con	Mat	Price	Yld	Sad
All Nippon Air	9/1	9/1	104.4	+20	
Bank of Tokyo	11	9/1	102.75	8.15	+58
Bank of Tokyo	11	9/1	102.75	8.15	+58
Bank of Tokyo	11	9/1	102.75	8.15	+58
Bank of Tokyo	11	9/1	102.75	8.15	+58

United Kingdom

Issuer	Con	Mat	Price	Yld	Sad
Barclays	10/4	9/1	102.75	8.15	+58
British Tel	8/1	9/1	102.75	8.15	+58
British Tel	8/1	9/1	102.75	8.15	+58
British Tel	8/1	9/1	102.75	8.15	+58
British Tel	8/1	9/1	102.75	8.15	+58

United States

Issuer	Con	Mat	Price	Yld	Sad
A & T	9/1	9/1	102.75	8.15	+58
AirTel Inc	7/1	9/1	102.75	8.15	+58
AirTel Inc	7/1	9/1	102.75	8.15	+58
AirTel Inc	7/1	9/1	102.75	8.15	+58
AirTel Inc	7/1	9/1	102.75	8.15	+58

Western Europe (Other)

Issuer	Con	Mat	Price	Yld	Sad
Austr Com Bk	10/1	9/1	102.75	8.15	+58
Austr Gov Bk	10/1	9/1	102.75	8.15	+58
Austr Gov Bk	10/1	9/1	102.75	8.15	+58
Austr Gov Bk	10/1	9/1	102.75	8.15	+58
Austr Gov Bk	10/1	9/1	102.75	8.15	+58

DM Straights

Issuer	Con	Mat	Price	Yld	Sad
Amro Bank	5/1	9/1	102.75	8.15	+58
Amro Bank	5/1	9/1	102.75	8.15	+58
Amro Bank	5/1	9/1	102.75	8.15	+58
Amro Bank	5/1	9/1	102.75	8.15	+58
Amro Bank	5/1	9/1	102.75	8.15	+58

DM Zero Coupons

Issuer	Con	Mat	Price	Yld	Sad
Austr Com Bk	10/1	9/1	102.75	8.15	+58
Austr Gov Bk	10/1	9/1	102.75	8.15	+58
Austr Gov Bk	10/1	9/1	102.75	8.15	+58
Austr Gov Bk	10/1	9/1	102.75	8.15	+58
Austr Gov Bk	10/1	9/1	102.75	8.15	+58

Yen Straights

Issuer	Con	Mat	Price	Yld	Sad
All Nippon Air	9/1	9/1	104.4	+20	
Bank of Tokyo	11	9/1	102.75	8.15	+58
Bank of Tokyo	11	9/1	102.75	8.15	+58
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Canada

Issuer	Con	Mat	Price	Yld	Sad
Canada	11/1	9/1	102.75	8.15	+58
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Canada	11/1	9/1	102.75	8.15	+58
Canada	11/1	9/1	102.75	8.15	+58
Canada	11/1	9/1	102.75	8.15	+58

France

Issuer	Con	Mat	Price	Yld	Sad
BFC	7/1	9/1	102.75	8.15	+58
BFC	7/1	9/1	102.75	8.15	+58
BFC	7/1	9/1	102.75	8.15	+58
BFC	7/1	9/1	102.75	8.15	+58
BFC	7/1	9/1	102.75	8.15	+58

Supranational

Issuer	Con	Mat	Price	Yld	Sad
Council Europe	8/1	9/1	102.75	8.15	+58
Council Europe	8/1	9/1	102.75	8.15	+58
Council Europe	8/1	9/1	102.75	8.15	+58
Council Europe	8/1	9/1	102.75	8.15	+58
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Mutual Funds

Flowers as of close of trading Friday
March 3

Issuer	Con	Mat	Price	Yld	Sad
AAL Co	1/1	9/1	102.75	8.15	+58
AAL Co	1/1	9/1	102.75	8.15	+58
AAL Co	1/1	9/1	102.75	8.15	+58
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Mutual Funds

Flowers as of close of trading Friday
March 3

New International Bond Issues

Compiled by Aimet Potar Hardoux

Table with columns: Issuer, Amount (millions), Mat., Coup. %, Price, and Terms. Includes sections for Floating Rate Notes, Fixed-Coupon, and Equity-Linked.

Black & Decker Lifts Standard Bid

New York Times Service

NEW YORK — In the latest round in the battle for American Standard Inc., Black & Decker Corp. has outbid the company's revised proposal to remain independent.

In a move to fight off a \$68-a-share offer that Black & Decker made less than two weeks ago, American Standard sweetened its proposed recapitalization plan Friday.

This would mean that American Standard, which is best known as a maker of plumbing fixtures, was prepared to pay close to \$2.3 billion in cash and securities to fend off Black & Decker.

Within hours of the American Standard announcement, Black & Decker raised its offer to \$73 a share, Black & Decker warned, however, that its new bid was conditioned on acceptance of the offer by American Standard's current board or the consent of stockholders to revamp the board.

Meanwhile, Emerson Electric Co. emerged as a player in the battle. It is to invest \$160 million in American Standard in exchange for nearly a 10 percent stake and a chance to sell the company unspecified products.

The offers by American Standard and Black & Decker are difficult to compare because Black & Decker wants to buy all 33.22 million of the company's shares.

American Standard wants to buy only the 31 million shares in public hands; the rest are owned by executives who will exchange them for shares in the new company.

Moreover, while Black & Decker would pay cash fairly quickly, part of American Standard's payment would be in securities that are difficult to value and would be available only after considerable delay.

Belgium's Stand on Générale

BRUSSELS — The Belgian government has urged Carlo de Benedetti and his rivals to end their battle for control of Société Générale de Belgique SA, the nation's biggest company.

In a letter Saturday to parties in the seven-week struggle, Economic Affairs Minister Philippe Maystadt said the government would take the necessary action to protect Belgium's strategic interests.

But a decision Friday by Mr. de Benedetti to extend his tender offer for Générale shares could delay the start of negotiations for another two weeks, opponents of the Italian financier said.

"The prolongation of the offer — that is to say the continuation of an

aggressive attitude — is not very good when you want to create the right conditions for a sensible conversation," said Etienne Davignon, a director of Générale.

A spokesman for Mr. de Benedetti said last week that he and his allies held 47.2 percent of Générale's capital. He is seeking to extend his holding by 7.5 percent.

A rival group of French and Belgian companies claims to hold 52 percent. The group is led by France's Compagnie Financière de Suez and Belgium's Groupe AG.

The Belgian Banking Commission allowed Mr. de Benedetti to extend his tender on condition that he publish the identity of his financial backers and details of their holdings in Générale by Monday

Taiwan Says U.S. Relaxed Exchange Rate Demands

TAIPEI — Taiwan reported Saturday that its trade surplus had narrowed, and the central bank governor said the United States had stopped pressing the island to allow its currency to appreciate.

Chang Chi-cheng said Washington had agreed to a proposal that the exchange rate of the two currencies remain at present levels for two months to see whether Taiwan could further narrow its trade surplus with the United States.

He said the plan was aimed at giving Taiwan "some temporary breathing space."

The Taiwan dollar has been stable against the U.S. currency over the past month. Mr. Chang did not say when the two-month period of rate stability would end, but a senior trade official said the agreement would last through the end of March.

Washington often has accused Taiwan, South Korea, Hong Kong and Singapore of helping to delay the turnaround in the U.S. trade deficit by not allowing their currencies to appreciate rapidly enough.

The government's Bureau of Statistics said Saturday that Taiwan's trade surplus narrowed to \$2.06 billion in the first two months of 1988 from \$2.73 billion a year earlier. Exports rose 28 percent from a year earlier to \$9.21 billion, with the United States accounting for \$3.85 billion or 42 percent of the total.

But imports climbed 60 percent to \$7.15 billion, with the United States selling \$2.18 billion or 30 percent, the biggest share. Imports from Japan were close behind at \$2.07 billion or 29 percent, followed by European imports at \$1.1 billion or 14 percent.

Duan Wei, director of the Bureau of Statistics, attributed the surge in imports to tariff cuts on 3,575 foreign products in February. Taiwan's surplus with the United States fell to \$1.67 billion in the two-month period from \$2.35 billion a year earlier.

In February alone, Taiwan's trade surplus with all of its trading partners shrank to \$990 million from \$1.06 billion in January and \$1.32 billion a year earlier.

Li Mo, the vice minister of economics, predicted that Taiwan's trade surplus would narrow to about \$14 billion this year from a record \$19.03 billion last year.

Bankers Claim Currency Breakthrough in Euro-CP Market

By Carl Gewirtz

PARIS — Bankers have claimed a fundamental breakthrough in the Euro-commercial paper market that will enable Swedish Export Credit to issue dollar-denominated paper and investors to purchase and hold the securities in whatever currency they prefer.

The concept of buying dollar paper and effectively converting it to another currency by the use of a foreign exchange contract is not new. Goldman Sachs, for example, has been offering this option in the U.S. market for some time.

The novelty developed by Bankers Trust for the Swedish Export issue is that the foreign exchange side of the transaction will be as liquid and tradable as the underlying CP.

Exactly how this will be done is not being divulged. Bankers Trust says it is proprietary information, at least until its competitors figure it out and the method becomes universal.

The problem with existing procedures is that an investor who has bought a six-month security and decides to sell prior to maturity must also unwind the foreign exchange swap, which is normally not negotiable. The swap could be unwound, but that opens the investor to the risk of fluctuations in the foreign exchange market.

"The illiquidity of the foreign exchange contract has been a major drawback and effectively blocked the development" of swapping CP, said John C. Mowinckel of Bankers Trust. "Our structure gives liquidity to the foreign exchange contract."

The advantages he claims are twofold: Potentially cheaper funding costs for issuers, and a widening of the CP market by attracting investors who up to now could not obtain the type of paper they wanted. Wider distribution would, over the long term, also tend to reduce the cost of issuing paper.

A major difference that Bankers Trust claims over the Goldman Sachs system is that the issuer always sells dollar-denominated paper. Under the Goldman plan, the borrower actually issues the desired non-dollar paper. That restricts the possibilities. For example, there is no CP market in West Germany and issuers are effectively barred from issuing mark-denominated CP in the international market.

But Swedish Export Credit will always be issuing dollar CP and the investor will have the choice to custom tailor the currency.

Mr. Mowinckel said the investor seeking to sell dual-currency CP prior to maturity would be able "to offer it to anyone else or sell it back to us and we will sell it on."

Swedish Export Credit, which plans to issue up to \$1 billion in Euro-CP, also has the option to issue paper in yen. Merrill Lynch is arranging the program and other dealers include Daiwa, Bankers Trust and Swiss Bank Corp. Investment Banking Ltd. Swedish Export Credit already has a U.S. CP program of equal size.

Daiwa was also appointed to set up a Euro-yen CP program for Svenska Handelsbanken. It will run within the bank's existing \$2.5 billion global CP program.

Petro-Canada plans to issue up to \$700 million in the Euro-CP market and has named J.P. Morgan, Citicorp, Credit Suisse First Boston, Orion Royal Bank and Swiss Bank Corp. as dealers.

Also tapping the market is Primavera, the U.S. financial services and retailing group, which has named First Chicago, J.P. Morgan and Swiss Bank Corp. as dealers to place up to \$175 million of Euro-CP.

Wharf Properties Ltd., a unit of Hong Kong-listed Wharf (Holdings) Ltd., will enter the market offering up to \$100 million, or the equivalent in Australian dollars. Dealers are J.P. Morgan and Chemsecurities.

In the syndicated bank loan market, Euro-Disneyland has asked 10 banks to submit bids by Thursday on a financing package of 7 billion

francs for the first phase of a project to erect Europe's largest entertainment complex east of Paris at Marne-la-Vallée. The French government and other official lenders such as the European Investment Bank will provide an additional 5 billion francs.

Bankers expect the loan to be structured along the lines of the Eurotunnel project for a tunnel under the English Channel, running for 18 years at a margin of around 1 1/4 points over the interbank rate.

Bank of China is seeking \$172 million for 20 years to finance the purchase of British equipment for a power plant. The loan carries the

guarantee of Export Credits Guarantee Department, the British export credit agency.

China is to pay an annual interest rate of 5 percent and ECGD will make up the difference so that lenders earn 1/4 point over the rolling average of three-month sterling deposit rate.

The Chinese company importing the machinery, HTPDC, is currently seeking a \$25 million, six-year loan to finance the purchase of equipment outside Britain.

In the French market, Compagnie Générale des Eaux is seeking a multi-option facility of 1.5 billion francs for five years but extendable to seven.

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EUROBONDS: Employment Is the New Villain in U.S. Trade Scenario

(Continued from first finance page)

ings and were ready to increase the percentage. The big question is whether this trend will be halted pending a clearer picture of where the U.S. economy is headed.

Deutsche mark paper, particularly the 250 million DM issue for Coca-Cola, met strong demand from Switzerland, even though the company's 10-year bond was yielding 40 basis points below the yield on comparably dated West German government paper. With Bonn intending to impose a 10 percent withholding tax on domestic interest payments, foreign investors continue to shun domestic issues.

Eurofima, a company owned by Europe's state-owned railways to finance the purchase of rolling

stock, was equally well received at nearly identical terms.

Even Avon, which is rated triple-B, was able to offer 170 million DM of 10-year bonds at terms low enough to enable it to swap the proceeds into fixed-rate dollars at a cheaper level than it could achieve by tapping the dollar market directly. Less the 2 1/2 percent underwriting fees, the 6 1/2 percent bonds offered at 100 1/4 were priced at 25 basis points over domestic issues.

Another issuer with a weak credit rating, the Dutch steel company Hoogovens, attracted investors seeking higher income. It set a coupon of 6 1/2 percent and offered 10-year paper at a discount of 99 1/4. Likewise for Turkey, which set a 6 1/2 percent coupon on its seven-year notes.

Hungary also tapped the market with 200 million DM of five-year paper.

At the quality short-end of the market, investors could choose among Commerzbank, Dresdner Bank, Hessische Landesbank International and the Finnish state-controlled power company Enso-Gutzeit. All were well received, with dealers noting a steady demand from Japan.

The surprise of the week was the relatively poor performance of Lloyds Bank's £150 million, 10-year bonds priced to yield 7 1/2 percent over domestic government bonds. Managers admit that the pricing was aggressive and that the sector was beginning to show signs of overload. The fact the paper is subordinated did not help either.

But the poor showing, a discount of 3 1/2 points, led some dealers to wonder whether investors were lowering their assessment of Lloyds.

The Japanese equity-linked market saw only one new issue, for Asahi Breweries. Among the four issues priced last week, a public warning from the Bank of Japan that stock prices overheating seemed to have no impact. Tokyo suffered only a one-day setback, and the prices of equity-linked bonds still ended the week at enormous premiums of 10 to 14 percent.

Oji Paper was priced with a coupon of only 4 1/2 percent, down from the indicated 4 1/2 percent and the lowest level seen since the market reopened this year. Despite the coupon cut, the paper was quoted at a 1 1/2 percent premium.

On U.S. Bond Market, Fear After the Jobs Data

Compiled by Our Staff From Dispatches

NEW YORK — Despite four quiet sessions, U.S. bond prices ended lower for the week as the report of a leap in U.S. employment triggered sharp losses.

Although the February data were questioned by some credit market experts, the report increased the prospects for a strengthening U.S. economy. The Labor Department said that the nation's civilian unemployment rate had fallen to 5.7 percent, a nine-year low.

The news stirred fears of higher interest rates and lower prices for outstanding fixed-income debt. The report also reduced the possibility that the Fed would see a need to ease interest rates to stimulate the economy.

"The market was very quiet all week until Friday," said Peter Niculescu, a vice president in bond market research at Salomon Brothers Inc.

The benchmark Treasury long-term bond, the 8 1/2 percent issue due in 2017, closed at 104 5/32 on Friday, down more than 2 points or \$20 for each \$1,000 of face value from 106 12/32 Thursday. It was an unusual loss for such a prime obligation. The bond was down 1 17/32 for the week.

So unsettled was the secondary market in Treasury issues that even the discount rates on bills shot up, despite the usual "flight to quality" that attends any market upheaval.

Even after some late bargain hunting, the discount rate on the 90-day bills was down 12 basis

points, at 5.72 percent. Six-month bills lost 10 basis points, to 5.96 percent, and one-year bills dropped 12 basis points, to 6.23 percent. A basis point is one-hundredth of a percentage point.

Typically, the Treasury's longest maturities bore the brunt of the sell-off. As the price of the 30-year bond tumbled, its yield soared to 8.474 percent, the day's high, from 8.30 percent Thursday and 8.32 percent a week earlier.

The Treasury's long-term note, the 8 1/4 percent issue of 1998, sank 1 3/32 to 99 1/32, to yield 8.27 percent, compared with 8.16 percent a week earlier. Among other intermediate Treasury maturities, the 7 1/2 percent issue of 1993 dropped 21/32 to 99 14/32, for a yield of 7.50 percent, against 9.66 percent a week earlier.

The 7 1/4 percent issue of 1990 fell 7/32 to 99 31/32 to yield 7.16 percent, down from 7.10 the previous week.

In Chicago, the spot March 20-year Treasury bond futures closed at 93 16/32, down 1 22/32. All other actively traded contracts plunged as well.

Mr. Niculescu of Salomon said the employment report also pushed prices of corporate and mortgage-backed issues sharply lower. Municipal issues declined as well, he added.

The Treasury said it would hold its monthly auction of one-year

bills Thursday, when \$9 billion of these instruments are to be sold.

Donald H. Straszheim, chief economist at Merrill Lynch & Co., said that "questionable or not," the employment report had "stunned the market."

The Labor Department said that 531,000 jobs were created in February and revised the January increase to 174,000. "Before the numbers came out, the most optimistic forecasters said the February increase would be no more than 200,000."

But economists cautioned about placing too much emphasis on the employment figures. "The total numbers don't seem to jibe with other economic statistics issued by the government in recent days," Mr. Straszheim said.

Mr. Straszheim pointed out that the increase of 107,000 construction jobs, for example, seemed to be at odds with the weakness displayed by the building industry so far this year. He also noted that the government reported 200,000 new jobs in the wholesale and retail trades in January and February.

"By the government's own account, both the retail and housing industries have not fared well in recent months," Mr. Straszheim noted. "So we should not be surprised if some of the components of the employment statistics reported Friday are revised later on."

Michael J. Moran, chief economist at Daiwa Securities America, was somewhat more circumspect in his assessment. "Even if the employment num-

bers are revised downward later, which is quite possible, they were still strong enough to justify the fears of bond investors," he said.

"In fact, we can all forget the talk about the Fed easing credit in order to stimulate the economy in the foreseeable future."

"Anyone who still thinks the first-quarter GNP will only show a growth rate of 1.5 percent or less will now have to re-examine their calculations," he added.

Mr. Moran said he expected the gross national product to post an annual growth rate of at least 2 percent for the first quarter. Whatever the employment figures portend, bond market participants had to struggle with eager sellers and reluctant buyers in the United States and abroad. Dealers said the only major interruption in the downward course of bond prices was a "slight short squeeze" that developed late in the session. (NYT, UPI)

Indigo Ideas Early Indigo reports were recommending Apple Computer at \$74, and our newest study says it will rise in time to \$122. Write, phone or fax for complimentary reports explaining why various microtechnology bears and secondary crash theorists may have been reading their charts upside down. INDIGO INVESTMENT, S.A. Avenida Palma de Mallorca 42, Torre de Cristal, 4th floor, 08002 Barcelona, Spain. Phone: 34-93-289600 Fax: 34-93-289274 Telex: 79423. * Indigo is not a licensed broker.

ARAB INTERNATIONAL BANK BALANCE SHEET June 30, 1987 and 1986 (Expressed in thousands of US dollars). Assets: Cash and due from banks 39,003, Time Deposits 955,934, Trading Securities 150,000, Investments 45,612, Marketable notes and bonds 108,962, Equity participations 668,872, Loans and advances, less provision 24,334, Accounts receivable and accrued interest 33,914, Property and equipment 2,028,621, Customers' liabilities under credits, guarantees and acceptances 393,600, LIABILITIES AND SHAREHOLDERS' EQUITY 1987 1986 Demand deposits 172,988, Time deposits 1,542,430, Accounts payable and accrued interest 60,427, Proposed dividends 8,000, Total liabilities 1,781,845, Shareholders' equity: Share capital 150,000, Statutory reserve 33,532, General reserve 60,968, Retained earnings 276, Total shareholders' equity 244,776, LIABILITIES UNDER CREDITS, GUARANTEES AND ACCEPTANCES 393,600 504,650 Mr. ABDULLATIF A. EL KIB Managing Director Dr. MOSTAFA KHALIL Chairman Head Office: 35, Abdel Khalek Sarwat Street, Cairo, Arab Republic of Egypt. Tel.: 92079 AIB, 92088 AIBEX UN. Telephone: 3916492, 3916391. Cable Address: ARABNBANK Cairo Bahrain Branch: Diplomat Tower, Diplomatic Area Road No. 1706, Block 317, Manama, Bahrain. Tel.: 9489 AIBBAH BN, 9538 AIBEX BN. Telephone: 551611

ROVER: Proposed Sale of Automaker to BAe Is Seen as 'British Solution'

(Continued from first finance page) only, this is an ideal solution because it keeps Rover British. But there is not much industrial logic to it.

For years, Rover's fate has been a sensitive political issue. Continued subsidies have run against the grain of Prime Minister Margaret Thatcher's free-market philosophy.

STANDARD: Executive Resigns

(Continued from first finance page) dard has done to put themselves in better shape. In the first half of 1987, Standard's provisions against bad and doubtful loans stood at 22 percent of total debt exposure.

But in its basic passenger-car business, Rover occupies a precarious middle ground: It does not have the luxury image of Jaguar or Mercedes-Benz, yet it cannot compete with Europe's high-volume producers like Fiat, Renault and Volkswagen.

Amman Expands Trading

AMMAN, Jordan — Jordan's stock exchange will open for an hour of afternoon trading on Tuesdays and Wednesdays beginning this week, its general manager, Husein Sabbagh, said Sunday.

Rover has moved into the lower end of the luxury market with its 800 model, called the Sterling in the United States, which it developed with Honda Motor Co. of Japan.

U.S. Big 3, Aided by Low Dollar, Set European Sales Drive

GENEVA — The Big Three U.S. car companies, aided by a weaker dollar, have announced plans to increase sales of U.S.-made cars in Europe.

Ford, the second biggest U.S. car company in terms of sales, with just over 20 percent of the market, would not be specific about its plans for Europe.

American Exchange Options

Table with columns for Option & price, Calls, Puts, and various stock symbols like AMEX, AMEX, AMEX, etc.

NASDAQ National Market

Table with columns for Sales in 100s, High, Low, Close, Net, and various stock symbols like VOR, VOR, VOR, etc.

Chicago Exchange Options

Table with columns for Option & price, Calls, Puts, and various stock symbols like AMEX, AMEX, AMEX, etc.

Treasury Bonds

Table with columns for Maturity, Close, Ask, Yield, and various bond symbols like 31.12.89, 31.12.89, etc.

U.S. Consumer Rates

Table with columns for Tax Exempt Bonds, Money Market Funds, and various financial rates.

INTERNATIONAL CLASSIFIED (Continued from Back Page) ESCORTS & GUIDES INTERNATIONAL ESCORT SERVICE Head Office: New York 330 W. 5th St. N.Y.C. 10019 USA 212-765-7896 212-765-7754 MAJOR CREDIT CARDS AND CHECKS ACCEPTED

SPORTS

SPORTS BRIEFS

Oertli Wins Delayed Women's Downhill For 3 Other Swiss

Wadkins Keeps 2-Stroke Lead in Golf

Falls End Season

MIAMI (AP) — Bobby Wadkins, seeking his first victory in 14 years on the PGA Tour, retained a two-stroke lead Saturday in the third round of the Doral Open Golf Tournament.

Compiled by Our Staff From Dispatches ASPEN, Colorado — Brigitte Oertli, a veteran Swiss skier, assumed leadership in the absence of three injured teammates and made a clean, controlled run Saturday to capture a weather-delayed women's World Cup downhill race and move into first place in the overall standings.

NHL-Soviet Exchange Accord Reported

MOSCOW (UPI) — The National Hockey League and the Soviet Hockey Federation have reached agreement in principle for a series of exchanges beginning in December, with four Soviet teams playing games in North America in 1989-90 that count in the NHL standings, according to the newspaper Izvestia.

New Zealand Unveils Its Cup Challenger

AUCKLAND, New Zealand (AFP) — New Zealand's America's Cup syndicate unveiled on Sunday its J-class boat for the cup challenge scheduled to be raced later this year.

Oertli, 25, avoided the pitfalls that knocked out two Canadian challengers to keep Switzerland unbeaten in the seven women's downhill races this season.

For the Record

FIFA President Joao Havelange of Brazil said he will not vote on the host of the 1994 World Cup because Brazil is a candidate. He said the vote was rescheduled from June 30 to July 4.

The Swiss team physician said Gafner's injuries were the most severe, possibly requiring surgery.

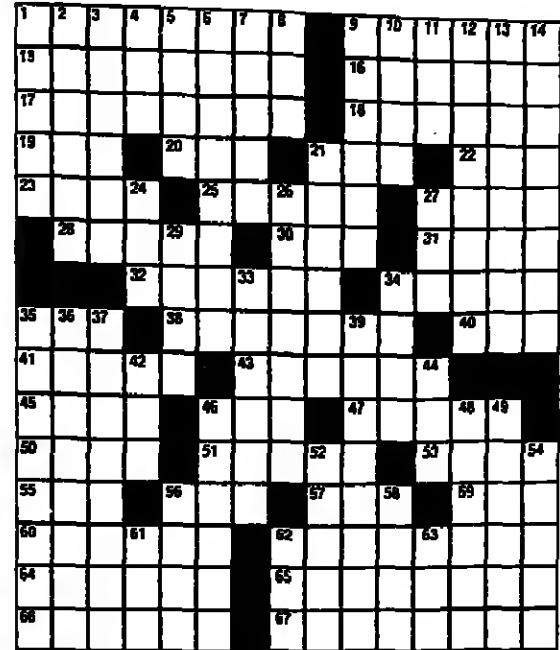
Walker, 24, long has been the leader of the Swiss team. She was second in overall downhill points until Friday.

Schneider, who won Olympic gold medals in the giant slalom and slalom in Calgary, Alberta, and who leads the overall cup standings in those categories, had been tied for the overall cup lead with her teammate Michela Figini.

It was Oertli's first downhill triumph in seven World Cup seasons. "This is a great day for me," she said Saturday. "I proved to all that I can not only win in slalom but also in downhill."



A medic pulled Beatrice Gafner of Switzerland down the mountain in Aspen, Colorado, after her fall.



ACROSS 1 Communications 9 Conducts 15 At the core 16 Hot milk-and-wine drink 17 Of the third order 18 East Indian sailor 19 Time period 20 Sharp tool 21 Disenchantment 22 Mohammed's son-in-law 23 Took a cab 25 Ruhr city 27 Went coasting 28 Side dish 29 Take steps 31 Window section 32 — daisy 34 Like some 35 Unit of elec. current 38 Goes to the meeting 40 Id follower 41 Skirt features 43 Judge twice 45 Nettled 46 D.C. bigwig 47 Mubarak's capital 50 Soviet news source

Solution to Friday's Puzzle

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DENNIS THE MENACE



"How come nobody on television ever has to go to the bathroom?"

JUMBLE

Unscramble these foul Jumbles, one letter to each square, to form four ordinary words. This ought to keep 'em out of trouble.

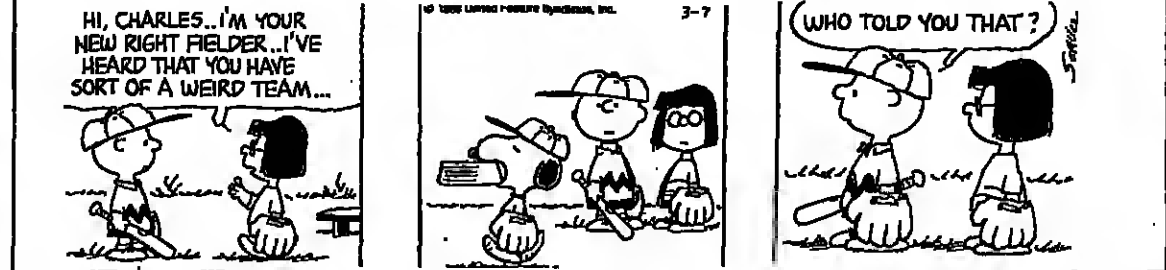
Answer here: A "VAHEY" "LYJOL" "SLEENT" "ENBOGE"

WEATHER

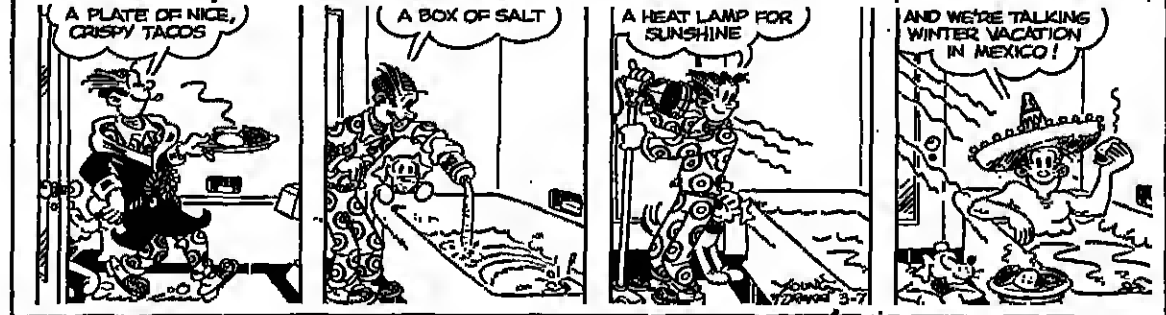
Table with columns for EUROPE, ASIA, AFRICA, LATIN AMERICA, NORTH AMERICA, MIDDLE EAST, and OCEANIA. Each column lists cities and their corresponding high and low temperatures.

MONDAY'S FORECAST - CHANNEL: Rough, FRANKFURT: Snow, Temp. 12-14... NEW YORK: Fair, Temp. 14-17... PARIS: Snowy, Temp. 2-7... ROME: Cloudy, Temp. 11-13... TOKYO: Mist, Temp. 11-13...

PEANUTS



BLONDIE



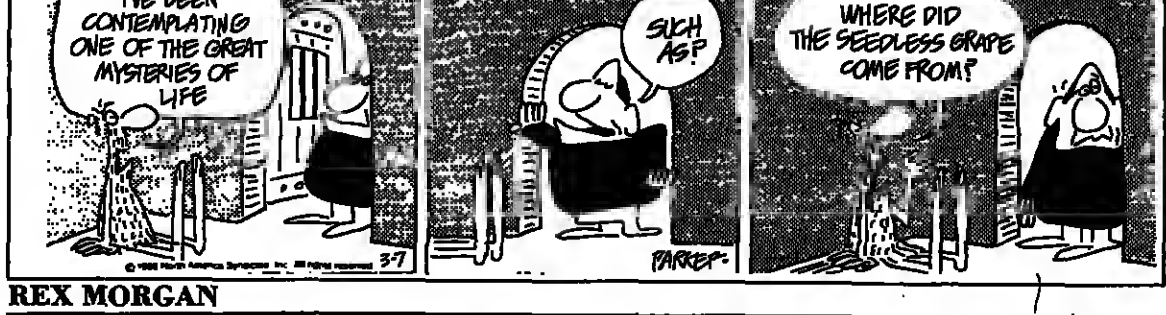
BEEETLE BAILEY



ANDY CAPP



WIZARD OF ID



REX MORGAN



GARFIELD



WORLD STOCKS IN REVIEW

Amsterdam Amsterdam stock prices rose moderately last week, helped by a fairly stable dollar and a good performance on Wall Street.

Frankfurt Prices on the Frankfurt Stock Exchange dipped slightly last week as the market took a breather from a 15 percent advance in February.

Hong Kong Optimism returned in force last week to the Hong Kong stock market, with the Hang Seng index surging more than 116 points in active trading.

London The London Stock Exchange extended its gains last week, propelling the Financial Times index of 30 industrial shares to 1,478.7.

Milan Prices on the Milan Bourse slipped slightly last week as shares in companies controlled by the financier Carlo de Benedetti dominated trading.

Zurich Stock prices rose last week in Zurich, boosting the Credit Suisse index to 463.5 points against 451.3 the previous Friday.

Tokyo Share prices continued to climb last week on the Tokyo Stock Exchange, with the key Nikkei stock average posting gains for the sixth consecutive week.

Singapore Prices on the Singapore stock market gained considerable ground last week, with the Straits Times Industrial Index rising 32.4 points to close Friday at 920.60.

Get at Brawling

KOREBOARD

Skiing

Handwritten text at the bottom of the page.

SPORTS

Welsh Get at Least Tie for Title In Brawling Match With Irish

By Bob Donahue

International Herald Tribune

DUBLIN — Wales has assured itself of at least a tie for first place in the Five Nations rugby tournament by beating Ireland here, 12-9, while England beat Scotland in Edinburgh, 9-6, on the fourth of the annual Five Nations weekends.

The Welsh will be going for the grand slam, or clean sweep of all four of their matches, at home in Cardiff against France on the fifth and last day, March 19. The Welsh can do this by sharing first place with the French, who were idle Saturday. The best Scotland can do is with all four of its matches played and three of them lost — to share last place with the English or the Irish, who meet at Twickenham in suburban London on the final day.

Yet it was the Scots who inflicted France's only defeat so far. This year's tournament continues to be a roller coaster of highs and lows. Thirteen of the 15 Irishmen who almost held Wales to a draw here Saturday were on the field in Paris when France demolished Ireland, 25-6, two weeks before.

Now the press boxes at Lansdowne Road in Dublin and at Murrayfield in Edinburgh are in a gloomy mood. Reports from both stadiums independently denounced "dreadful" rugby. But, Bledwyn Bowen, the Welsh captain, claimed a "great win" and England's coach, Roger Utley, said his players were "thoroughly pleased."

These were not exhibition matches. The aim was to assure certain first place, in Wales's case, and avoid certain last place, in England's. "Wales Got What They Came For," said a Dublin headline Sunday. The visiting teams won, doing what they needed to do.

That they both did it poorly was partly the doing of the opposition. While the Scottish and English managers exchanged accusations of "killing" the Edinburgh match, Ireland's captain, Donal Lenihan, credited his players for leading up and rattling the Welsh.

The Irish kicked off long, won a lineout and hoisted the ball. But instead of benefiting from pre-ordained mayhem, they had a similar high punt aimed back at them by Welsh scrumhalf Robert Jones, who expertly caught Phil Danaher as the fullback caught it. The ball popped free, lock Phil May was at the ruck and flyhalf Jonathan Davies kicked a drop goal in the fourth minute.

It was Davies's 13th drop for Wales in only 21 matches. Absent from that mark, writing on the ground far from the action with a damaged right shoulder, was the other Welsh lock, Robert Norster. His opinion of Irish tactics, candidly expressed to Ireland's Willie Anderson, seemed to be the spark that began a mass brawl in the eighth minute. Showy roundhouse punches did no recorded damage.

By that time, though, Danaher had landed a crashing tackle on Davies, who never looked his usual rocky self thereafter.

The match settled down into symmetrical battles. Michael Kiernan, with a stiff breeze behind him, missed with five penalty kicks and an attempted drop before finally registering a penalty goal in the 42d minute. After the interval, Welsh fullback Paul Thorburn used the same wind for five penalty kicks but succeeded only with the last one, in the 43d minute.

Hooker Terry Kingston, who had been active in the early troubles, scored a try at the end of the

FIVE NATIONS RUGBY

A drop goal — by Rob Andrew, England's reinstated flyhalf — was the only difference, too, in the scores at Murrayfield, Gavin Hastings, for Scotland, and Jonathan Webb, for England, each kicked two penalty goals, and it was Webb's second which won the match.

While the Dublin kickers were missing 9 penalty kicks out of 11, the Edinburgh kickers were missing 8 of 12. All told, spectators spent about half an hour watching the honing routine of the lonely placekicker.

Punches were thrown in Edinburgh, too. All 30 players finished in Dublin, but England's senior flanker, Peter Winterbottom, left on a stretcher with rib damage early in the Murrayfield clash.

For England, the victory put an end to a string of 10 defeats away from home in Five Nations play since March 1983. It was Scotland's first Five Nations defeat at home since 1985. Grant, the coach, later announced retirement from the international scene, as veteran scrumhalf Roy Laidlaw had earlier.

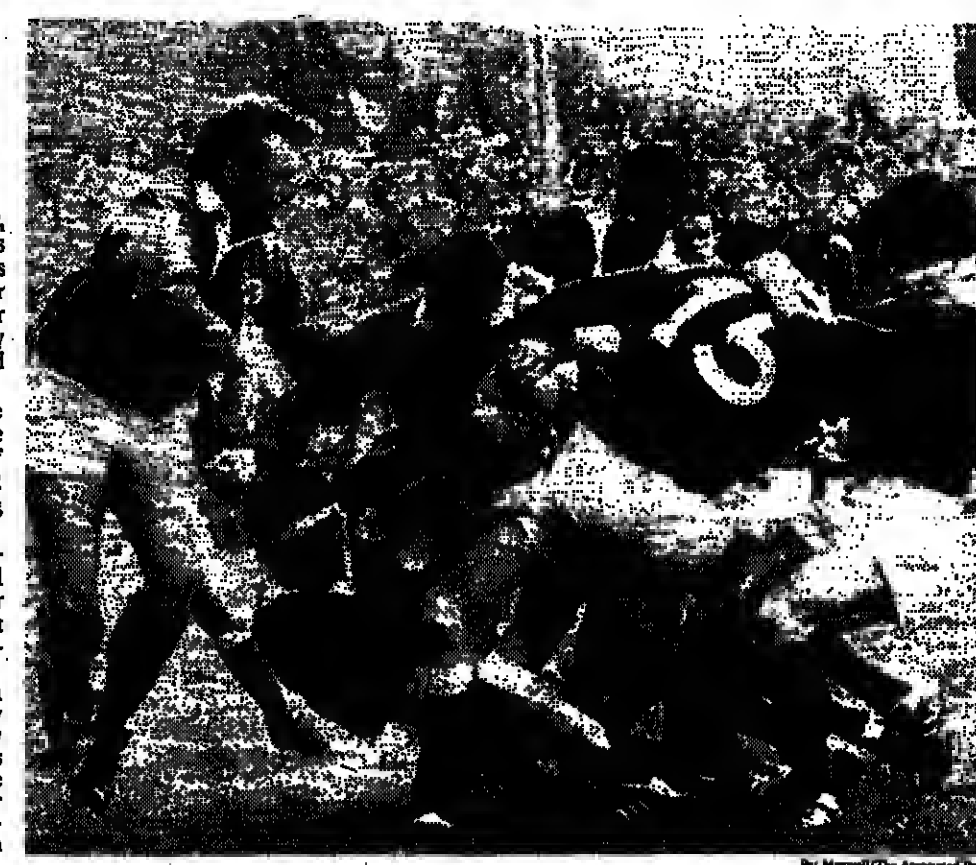
The English, in three matches, have yet to score a try this year.

first quarter when Philip Matthews, an effective flanker, blocked a clearance kick by Jones. Kiernan converted, and his penalty made it 9-3 at halftime. That was not going to be enough. A cushion, in the view of Ireland's coach, Jimmy Davidson, and he was right.

Four minutes into the second half, Jones feigned leftward behind the scrum and No. 8 Paul Moriarty picked up and plunged rightward for a Welsh try that Thorburn converted. The score stayed stuck at 9-9, with the Irish defending magnificently as Davies scattered panicky dropkicks, until Thorburn's long-delayed coup de grace.

Davidson said the Welsh deserved to win. His own players spent almost the entire second half deep in their own territory.

The suspense, and the festive crowd, made the spectacle. The characteristic Lansdowne roar erupted every time the Irish broke out of their own half. Penalty kicks were made in almost perfect silence.



Denis McBride of Ireland attempted to break away with the ball as a teammate pulled aside No. 15 Paul Thorburn of Wales during the Five Nations rugby match in Dublin. Wales won the game, 12-9.

The Green Grass of Home Is Sprouting Forth Again

New York Times Service

NEW YORK — Who stole the strawberries? Who put the eye-black in Kirk Gibson's cap? Who threw the overalls in Mrs. Murphy's chowder?

These were the questions America was asking Saturday as the beautiful green of real baseball grass glowed from the television tube. What a sight it was, too, after the drab brown hills of Alberta and the cold ice of the Olympic Winter Games.

It is now March. Do you know where your Tombs La Bomba is? We sat through the Endless Winter Games, proving that cynicism actually works. But recalled to life, we now have the first baseball controversy of the spring — and it isn't even spring yet, except in our hearts. Somebody in Dodgerrow had the audacity to spread the thick black goop inside Gibson's cap just before he went out to play his first inning as a Dodger. He got so mad that he stormed off the field, announcing that Big Kierkie wouldn't play that day.

Things are patched up now. Gibson's got the gunk cleaned out of his long hair; Tom Lasorda has instructed the Dodgers to make nice, and Jesse Orosco has said he cannot tell a lie. With this one little prank and Gibson's walkout, all is well with the world. Baseball, the national pastime, is back. Baseball, gentlemen, baseball, as Jimmy Canooce once said, pounding the table in a press box. And ladies, too.

As of Saturday, baseball was back, shimmering from the television, Tim McCarver and Ralph Kiner together again, Dave Johnson and Lasorda, Jesse, all the gang, our people. Every nation has its own sports, its own intrigues. During a lull in the Winter Games I picked up a copy of Liberation, the

VANTAGE POINT/ George Vecsey

respectable French tabloid. It had a long feature on Frank Piccard, France's only Olympic gold medalist, in the super giant slalom. It was quite clear the French know every subtlety of Piccard's life, his family, his training, his psycho, as we do with our baseballers and our footballers.

Looking back, much of the Winter Games seemed to be about equipment and speed, human projectiles whizzing past. I went up to the luge one day and the bobsled another day, but I could not quite figure out why the Soviet sledgers and the East German sliders were winning. Was it their technique? Was it, as Jimmy the Greek might have said, their thigh bones?

In the United States and Canada, we love our individualists, our boxers, our tennis champs, our sprinters, and we also have a lush variety of team sports, leagues more than 50 and 100 years old, legends and apocrypha, heroes and villains. With all the freedom, all the information, we revel in 24-hour sports channels, teams with histories, sports that keep evolving, with the emphasis on patterns and creativity rather than speed and equipment.

You want to know why the Los Angeles Lakers win, you can figure it out by watching No. 32, pretty much naked to the world except for his purple-and-gold uniform and sneakers. In my winter at the Olympics, I would have traded all the beef jerky in Calgary for 48 minutes of watching No. 32.

The French have their Frank Piccard, c'est magnifique. We've got the Dodgers. We've got spring training. We've got Gibson, on the cover of Sports Illustrated magazine, the free

No. 2 Purdue Wins Big Ten Title, Heads For NCAA Tourney

The Associated Press

NEW YORK — It's five teams in and 59 still to come in the U.S. college basketball season.

Second-ranked Purdue, North Carolina A.T. Southern University, Southwest Missouri State and Cornell won automatic berths Saturday in the NCAA tournament while No. 4 Oklahoma and No. 8 Kentucky won regular-season conference titles and Bradley's Hershey Hawkins, the nation's leading scorer, broke the records of two of the greatest players in college history.

Purdue 80, Michigan 67: In West Lafayette, Indiana, junior center Melvin McCants, who had taken himself out of the game in its early moments because he was nervous, scored a career-high 24 points and the Boilermakers survived cold shooting down the stretch to beat No. 10 Michigan and clinch their first outright Big Ten title since 1969. The conference does not have a postseason tournament to decide its automatic NCAA representative.

Oklahoma 113, Nebraska 93: In Norman, Oklahoma, Harvey Grant scored 26 points as the Sooners won the Big Eight title while topping the 100-point mark for the 17th time this season.

Oklahoma guard Mookie Blaylock had three steals and set a Big Eight single-season record of 117. Kentucky 78, Mississippi 71: In Oxford, Mississippi, Rex Chapman's 29 points helped the Wildcats win their 37th Southeastern Conference title.

Arizona 89, Washington 71: In Tucson, Arizona, Sean Elliott scored 25 points as the No. 3 Wildcats ran their record to 28-2 and went into the Pac-10 tournament having tied Oregon State's 1981 team for most league victories in a season.

Nevada-Las Vegas 86, New Mexico State 68: In Las Vegas, Gerald Paddio scored 21 points to victory in his Pacific Coast Athletic Association finale.

Bradley 93, Indiana State 74: In Peoria, Illinois, Hawkins scored a Missouri Valley Conference tournament record 41 points for No. 14 Bradley by making four three-point shots and going 17-of-17 at the foul line. The 6-foot-3-inch (1.9-meter) senior, who is averaging 36 points a game, broke the record of 40 points set by Indiana State's Larry Bird in 1978, and his 1,014 points this season broke the 28-year-old MVC mark of 1,011 set by Oscar Robertson at Cincinnati.

Bird's brother, Eddie, scored 21 points for Indiana State, while Robertson attended the game.

Texas-El Paso 83, Brigham Young 80: In Provo, Utah, UTEP's Tim Hardaway made four foul shots in the last 83 seconds of the second overtime to end No. 15 BYU's 15-game home winning streak.

Loyola-Marymount 110, Portland 104: In Santa Clara, California, the No. 18 Lions extended the nation's longest winning streak to 22 games as Hank Gathers got a West Coast Athletic Conference tournament-record 33 points.

Mississippi State 73, No. 19 Vanderbilt 68: In Starkville, Mississippi, the Bulldogs, who upset LSU earlier in the week, added No. 19 Vanderbilt to its list of Southeast-

ern Conference victims by scoring 20 straight points in the first half.

North Carolina A.T. 101, Florida A&M 85: In Greensboro, North Carolina, Claude Williams scored 22 points as A&T won the Mid-Eastern Athletic Conference tournament and its seventh straight trip to the NCAA tournament.

Southern 78, Grambling State 62: In Baton Rouge, Louisiana, Southern successfully defended its SWAC tournament title behind Kevin Florent's 29 points.

Southwest Missouri 70, Wisconsin-Green Bay 52: In Springfield, Missouri, Kelly Stuckey scored 15 of his 19 points in the second half to help his team win the Association of Mid-Century Universities title.

Priceton 79, Cornell 58: In Princeton, New Jersey, the Big Red lost but clinched its first Ivy League title since 1954 when second-place Dartmouth lost to Yale, 79-78.

Angry Redman Attacks Fans

Providence, Rhode Island — Providence dealt St. John's hopes of gaining an NCAA tournament bid a severe blow Saturday night with a 90-81 upset in a game marred by an ugly melee involving St. John's players and spectators.

With St. John's trailing by 60-45 and 11:51 left to play, starting center Jayson Williams was ejected after he threw a number of unanswered punches at Abdul Shabazz-Deen, a forward for the Friars.

Mary Fisher, who was sitting just behind the St. John's bench, said that as Williams left the court "I said, 'I'm sick of this,' and then he picked up a chair, swung it in the air and then flung it into the front row. One guy was hurt on the head; the other guy was scratched on the arm." She added, "Nobody went after him. Nobody provoked him."

The game was stopped for 10 minutes while police restored order. Reserve center Sean Muto had to be restrained by two assistant coaches. Williams was taken to the Providence police department and charged with assault with a dangerous weapon. He was released on a \$150 bail bond, but must appear Tuesday in Providence District Court.

St. John's will play its first-round game of the Big East Tournament, against Villanova on Friday, probably without Williams. The league's new policy on fighting bans any ejected player from its next conference game. (AP, Newsday)

SCOREBOARD

Hockey

NHL Standings

Table showing NHL Standings for the Pacific, Atlantic, Campbell, and Norris divisions. Columns include team name, wins, losses, points, and goals for/against.

Skiing

World Cup

Table showing World Cup results for women's downhill in Aspen, Colorado. Lists names of skiers and their times.

Basketball

National Basketball Association Standings

Table showing NBA Standings for Eastern, Central, Western, and Pacific divisions. Columns include team name, wins, losses, and points.

Selected Scores From College Basketball Games in the United States

Table listing selected scores from college basketball games across various conferences and divisions.

European Soccer

WEST GERMAN FIRST DIVISION

Table showing results from the West German First Division football league.

ITALIAN FIRST DIVISION

Table showing results from the Italian First Division football league.

Baseball

FRIDAY'S RESULTS

Table showing results from Friday's baseball games across various leagues.

SATURDAY'S RESULTS

Table showing results from Saturday's baseball games across various leagues.



THE INTERNATIONAL MANAGER A WEEKLY GUIDE BY SHERRY BUCHANAN WEDNESDAY IN THE HEAT

